

## AAT News

### Welcome to the June 2018 edition of the AAT Australia's eNews and Views. In this edition you'll find out all about:

- STP Practical Steps to Connect with the ATO
- What to do when you are notified of a data breach?
- Can an employer provide electronic payment summaries?
- Fair Work Ombudsman court case against 'gig' economy operator
- What do you do if you suspect your client is slipping into insolvency?

## STP Practical Steps to Connect with the ATO

STP is just around the corner and here are some practical steps to guide you through the set-up and connection with the ATO.

### 1. Ascertain when STP impacts the business

Conduct a head count of all employees of the business as at 1 April 2018. Employers with more than 20 employees on their payroll on this day will need to be commencing their STP journey as of 1 July 2018, all other employers will have a further 12 months to comply subject to the passage of law.

### 2. Understand what the software provider is doing

Many of the major accounting software providers have advised that they will be STP compliant for 1 July 2018 and others have indicated they have deferral arrangements in place with the ATO for up to six months. It is important to note that some software providers have multiple products and you would need to check the STP status for the individual product.

### 3. Connect the client's software with the ATO

Each accounting software 'data file' will have its own Unique Software Identifier (USID) and this information needs to be shared with the ATO. This will only need to happen once

for each of your clients (you may have already done this if you lodge BAS with the ATO directly from the accounting software). The steps to achieve this are:

- Ensure you have the client's authorised written consent to provide this information to the ATO;
- Ensure the client is listed in your BAS Agent Portal (they should already be there);
- Connect the clients USID with **their own business** portal (ie NOT your BAS Agent Portal), you can do this by either:

a/ Logging into your client's portal and entering the USID via their business access manager, OR

b/ Calling the ATO on 1300 852 232 (option 1) and advise them you are the registered BAS Agent for the entity and are authorised to establish the USID of a payroll solution for STP purposes.

Some additional points:

- We have heard of instances where the ATO have advised registered agents that the registered agent is not authorised to advise the USID on the client's behalf; this is not the case.
- You will still need to prepare payment summaries for the financial year ending 30<sup>th</sup> June 2018, including the Payment Summaries Annual Report (PSAR), even if you are reporting via STP prior to the 1 July requirement.

For information related to individual accounting software providers and their approach to STP, you can find more information out here:

[MYOB](#)  
[Intuit](#)  
[Reckon](#)  
[Xero](#)

AAT will be providing information sheets for you to hand out to employers and their employees during July; watch this space.

## What to do when you are notified of a data breach?

Recently, a member brought to our attention that Coles had advised individuals who had applied for jobs with them online may have had their personal data breached. The statement indicated that their HR technology provider, 'PageUp,' had advised Coles on 5 June that an "unauthorised person gained access to PageUp systems and personal data relating to clients, job applicants, references and PageUp employees". Coles explained that they had since taken steps to secure the data and also work with the Australian Government's agencies to understand the extent of the issues, appropriate risk management strategies and data protection options.

This sort of notification is obviously concerning to individuals and potential victims are commonly left wondering what to do with this advice. In this instance, Coles specifically stated TFN details had not been breached; however, if there are any

concerns about stolen or misused Tax File Number's (TFN), this should be reported to the ATO Client Identity Support Centre on 1800 467 033. If you think other identity information may be compromised individuals should call the ATO IDCARE team on 1300 432 273.

Other concerns relating to identity theft involve access to personal information that would allow a perpetrator to access credit against the stolen profile. The safest way to manage the risk against this is to organise credit reports that show activity against an individual's name. More information is available on the [ASIC website](#).

## Can an employer provide electronic payment summaries?

Employers (currently) have a commitment to provide a payment summary to employees by 14 July each year, showing total payments and withholdings related to those payments throughout the relevant financial year. There are different types of payment summaries dependent upon the nature of the payments provided.

It is allowable to provide electronic versions of *non-editable* and *legible* payment summaries to employees, as long as those employees are:

- able to view and print their payment summary and are able to request a printed copy;
- aware and have been notified of the email address you will be sending the payment summary to;
- advised when the payment summary is available electronically and how to access it (if via a portal or similar).

It is also important to consider whether the method of sharing the electronic payment summary is appropriately secure and that the possibility of a data breach is negligible. For example, where an email address is accessible by multiple people, this may give rise to a potential data breach and disclosure of the highly private and sensitive Tax File Number (TFN) for the individual.

Source: [ATO on PAYG payment summaries](#)

## Fair Work Ombudsman court case against 'gig' economy operator

The so-called 'gig economy' refers to temporary work opportunities, usually on a contract or freelance basis. Technology has facilitated a relative explosion in the number of gig economy opportunities for individuals to earn a living.

The Fair Work Ombudsman (FWO) raised concerns about the suggestion three 'independent contractors' working with Foodora Australia Pty Ltd were actually thator rather, more genuinely 'employees' entitled to minimum payment and conditions spelt out in the *Fair Work Act*.

The FWO office applied the multi-factor employee versus contractor test and found that the workers were actually employees due to several factors, including:

- The level of control, supervision and direction, Foodora imposed on the workers;
- The fact that the workers were required to wear a Foodora branded uniform
- Foodora supplied tools and equipment as well as storage to the workers for completion of the tasks they were paid for;
- The workers did not have any influence on the amounts they were paid for tasks completed;
- The workers did not advertise their services externally, did not delegate services or hold their own client base or insurances.

The FWO has commenced legal action against Foodora in the Federal Court as having engaged in 'sham contracting' that has meant workers have been underpaid. If the findings of the FWO are supported by the Court as a result of the current legal action, there will be significant implications not only for the 'gig economy' but also for industries where the use of 'independent contractors' is commonplace. This would include building and construction, cleaning, couriers, security and road freight transport industries that have already been identified by the ATO as high risk industries for non-compliance and the use of contractors is extensive.

available to AAT members who enrol with our strategic partner, Monarch Institute, please email **5% discount** and the Modern Awards, to complement their work with HR professional advisers. If you would like to receive more information about the release of this qualification and the *Fair Work Act* in understanding these sorts of intricacies. The new nationally accredited Diploma of Payroll Services, announced earlier this year, will serve to provide bookkeepers with the opportunity to learn in-depth information about many aspects of the HR function, including the *Fair Work Act*. Bookkeepers are urged to engage with HR professionals who are qualified, to provide advice relating to the application of modern awards and the [membership@aat.org.au](mailto:membership@aat.org.au).

Source: [Fair Work Ombudsman commences legal action against Foodora](#)

## What to do if you suspect your client may be slipping into insolvency?

As bookkeepers, we are most likely to be aware of a client's circumstances ahead of the other professionals working with them (and even before the client!). Insolvency is certainly one such circumstance and this needs to be carefully navigated.

### **So what should a bookkeeper do when these concerns arise?**

A bookkeeper should discuss concerns related to potential insolvency with the client(s) directly, making a strong recommendation that the client connect with their accountant or legal adviser to explain possible steps to trade out of the situation; and, the potential consequences of trading insolvent as a director or business owner. Ensure that this advice is explained in writing for your records, including the fact that you are not an insolvency expert and advice from these professionals should be sought as early as possible. Even if the initial conversation takes place verbally, it is a good idea to follow

this up with an email covering the topics you have discussed and the information you have imparted.

Certainly advise your client to continue to meet their compliance obligations around BAS, Superannuation, PAYG etc as the ATO will work more favourably with those businesses who are being pro-active in managing their affairs.

This can be a very stressful time for clients to navigate and the potential of qualified professionals assisting to design a course of action can actually be a very welcome relief. Advising clients that in some cases where *early action* has been taken businesses have been capable of trading out of insolvency with the appropriate professional advice and support.

#### **What a bookkeeper must not do**

- You cannot disclose information about your client's affairs (including their capacity to pay bills) to any third party without the client's consent. Therefore, if a creditor or employee questions your client's capacity to pay their obligations and commitments, you must refer them to your client
- You cannot knowingly assist your client in breaking any law, so don't make any arrangements with creditors on their behalf

I would suggest emailing your client with a helpful and friendly tone emphasising that you are not an insolvency expert and you believe that it would be in their best interest and those associated with the business, to seek qualified accounting and legal advice as soon as possible to understand their obligations. Also point out that these qualified professionals may be able to assist the business in trading out of this difficult situation.

If you give the client these suggestions and he or she continues to ignore the situation and fail to take action, then ideally, I think you should consider not acting in any capacity for this client.

Further reading for Company Directors: ASIC on [Directors – what to do if a company is in financial difficulty](#)

### 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](#)

[June Tech talk - Intuit QBOA](#)  
[Excel PivotTables Essentials - Data Analytics & Presentation](#)  
[ATO Webinar on all matters STP](#)  
[Intermediate BAS Skills](#)

## 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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