



Business Advisor

February 2018

Con Galvin & Associates Chartered Accountants

Address: 1/111 Musgrave Street, Berserker / PO Box 5775, Red Hill Rockhampton Qld 4701
Phone: (07) 4922 5856
Email: admin.cga@optusnet.com.au

It's that time of year again!

Here at Con Galvin & Associates, we pride ourselves on providing the best possible service and advice to all of our clients.

This newsletter covers the connection of Small Business Clearing House to ATO online services, the arrival of Single Touch Payroll, the conclusion of the Small Business \$20,000 Plant write-off and the introduction of our new team member.

We hope your Christmas and New Year break was enjoyable and look forward to working with you during 2018.



L-R: Peter Kennedy, Sophie Moffat, Con Galvin,
Stacy Lloyd, Jody Baxter

Small Business Superannuation Clearing House (SBSCH) joining ATO online services

From 26th February 2018, the SBSCH will join ATO online services and will no longer be accessible with the current user ID and password authentication. In other words, SBSCH will join the Business Portal, which is the main tool for businesses with an ABN to interact with the ATO online. We understand that all of the account information held in the SBSCH will migrate over to the business portal over that next week. You should be able to prepare and lodge your BAS, your employees' superannuation, manage your accounts and update your business registration through the business portal.

For sole traders who employ workers in their business, access to the new SBSCH will be through your myGov account linked to ATO online services. Once you have logged into myGov, and selected the ATO services link, you will go to the ATO online homepage and the SBSCH will show as one of the tiles listed. We understand that if you are using private clearing houses such as Sunsuper, you will be unaffected by the changes. It would be prudent to check with them to ensure that it is business as usual though.

Of course, as a fall-back position, you can lodge your SBSCH information through us as we have access to the Tax Agent Portal. We would need employee information including super contributions for each of your employees for the respective quarters.

If you have questions concerning the changes, please give us a call on (07) 4922 5856.



Single Touch Payroll on the Way

From 1 July 2018, employers with 20 or more employees will be required to provide payroll information to the ATO every time they do a pay run. For employers with 19 or fewer employees, they will be required to comply by 1 July 2019.

When you pay your employees through your Single Touch Payroll – enabled accounting software, you will be reporting payments such as their salaries and wages, allowances, deductions (for example workplace donations) and other payments, pay as you go (PAYG) withholding and super information to the ATO at the same time. Your payroll cycle does not need to change. You can continue to pay your employees weekly, fortnightly, or monthly. It simply means that when you complete your payroll, the tax and super information for each employee will be sent to the ATO.

You will need to do a 'head count' of your employees on 1 April 2018 to see if you need to comply by 30 June 2018 or 30 June 2019. If you have 20 or more employees on 1 April 2018, you will have to comply by 30 June 2018 regardless of how many employees you actually have on 30 June 2018. We understand most of the accounting software packages (such as Xero, MYOB and Reckon) are being upgraded to comply with the new Single Touch Payroll. If you are using old desktop software, you will have to consider upgrading your software or join online cloud accounting to become compliant.

Single Touch Payroll on the Way (cont'd)

If you are running your payroll records manually (or using a basic excel spreadsheet), you will need to find a computer payroll solution or use a payroll service provider. For a comprehensive list of approved software providers, visit the Australian Business Software Industry Association (ABSIA) website. There are few exemptions or deferrals to the regime – the main ones being that you are located in a rural area with poor internet connection, that you have been impacted by natural disaster, or affected by circumstances out of your control.

Going forward, one of the consequences of Single Touch Payroll will be the removal of the need to prepare PAYG summaries for employees including the annual reconciliation reports which were sent to the ATO.



If you have any queries concerning Single Touch Payroll, please give our team at Con Galvin & Associates a call to discuss.

Small Business \$20,000 Plant Write-Off Ends Soon

The immediate write-off of plant items costing less than \$20,000 will end on 30 June 2018. So it is important if you are considering purchasing these plant items that you time the purchase to take advantage of the 100% write-off this financial year. To claim the deduction the asset must be first used, or installed ready for use before 30 June 2018. It will not be enough to have the plant item on order but not delivered until after 30 June 2018 – even if you have paid for it by 30 June 2018. It is important to note that the \$20,000 threshold is EX GST which means if you are registered for GST your threshold is effectively \$22,000 (inc GST). Finally, the definition of small business has been expanded to include businesses with an annual turnover of \$10m which will also allow these businesses to access the immediate write-off of plant items less than \$20,000.

If you have any queries with respect to the \$20,000 write-off deductions, please give us a call. We are only too happy to discuss.

A New Face on the Team

You may not be aware, but Kathryn Downer finished up with us in December 2017 so that she could travel Australia with her husband David. She had been with us for six years and will be sadly missed.

Although big shoes to fill, Sophie Moffat started with us in January 2018 as our support officer and it will be her smiling face (along with Stacy Lloyd) that will greet you in reception. Sophie had worked previously for another Chartered Accounting firm in North Rockhampton and brings with her the skills she acquired there. Sophie enjoys theatre and you may see her on stage at the Pilbeam Theatre or at Walter Reid Cultural Centre.