

Members of the Institute of Public Accountants



[www.herns.com.au](http://www.herns.com.au)

21 Alfred Street  
Walkerville SA 5081

PO Box 397  
Walkerville SA 5081

**P** 08 8344 6011  
**E** [reception@herns.com.au](mailto:reception@herns.com.au)

**HOURS:** 9am to 5pm  
Monday to Friday

## Welcome...

from everyone at Hern & Associates to the 2018 edition of The Informer.

The New Year is fast approaching and we look forward to seeing you in the office at Tax Time.

This issue is filled with a lot of important changes from the ATO and ASIC as well as looking at some changes which were announced in the Federal Budget.

# Tax News

## 5 day promise for BASIC Income Tax Returns

Hern & Associates will continue to offer our 5 Day Promise for Basic Income Tax Returns. If you can't come in to see us, why not send in your work? On receipt of all your tax information in to our office, we can have your Tax Return completed and sent back to you, ready to sign, in 5 working days. You can post or scan & email your information to [reception@herns.com.au](mailto:reception@herns.com.au)

## Fees for 2018

Our fees for a Basic Tax Return\* are still \$242 and can be paid either by cash, cheque or EFTPOS. If it is estimated that you will be receiving a tax refund, you may opt to have our fee deducted from that refund, if you wish.

*\*a basic tax return does not include extra schedules required for rental properties or business schedules*

## Construction in Alfred Street

At the moment there is construction opposite us on Alfred Street. The owners hope it will all be completed by Christmas. Please be aware that at times there may be limited parking on Alfred Street. Alternative parking can be found at the Walkerville Oval (walk down between the playground and kindergarten) and Walkerville Terrace. We apologise for the inconvenience.



## Do you have a myGov Account?



Since 2015 anyone with a myGov Account that has chosen to link the Australian Taxation Office to their account will no longer receive their documentation in a paper form from Hern & Associates.

The types of communication you will receive via your MyGov Inbox include:

- Notice of Assessments
- Statements of Account
- Confirmation and Reminder Notices
- Activity Statements or Instalment Notices (BAS & IAS)
- Requests for Information

By opting to link the ATO to your myGov Account you have agreed to receive ATO correspondence in your myGov Inbox, instead of a paper form being sent to your Registered Tax Agent.

If there has been correspondence sent to you from the Australian Taxation Office you will be notified by email or SMS when there is mail in your myGov Inbox to be opened.

In the meantime, we ask that you please be diligent in checking your myGov Inbox for any correspondence received from the Australian Taxation Office as Hern & Associates don't receive a copy of these letters any longer. If you receive correspondence that you need us to assist with, please notify us promptly. The ATO has stated that soon to myGov there will be a tick box that will allow your Tax Agent to receive copies of the correspondence. We ask all clients to please tick the box to allow us to assist you with ATO.

# Tax News

## Have you changed your name?

Have you have recently changed your name? When we are processing your Tax Return we will need one of the following identity documents issued by the Department of Births, Death & Marriages to verify your new name:

- Australian Birth Certificate
- Australian Marriage Certificate
- Australian Change of Name Certificate (Deed Poll)

This is a new identity procedure in place by the Australian Tax Office. To ensure your Tax Return is not delayed please bring this document to your appointment.

## Are your bank details correct?

Since 2014 the Australian Tax Office has been issuing Refunds via EFT, as they are phasing out the printing of cheques. If the incorrect bank details have been given to us when completing your return, then the payment will bounce back and a cheque will then issued. This delays the refund process, usually taking over a month for you to receive your refund. When signing your return this year, please check your bank account details carefully so that you can receive your refund quickly and efficiently.

## What is PAYG and why do I have to pay it?

If your income from business or investment reaches a certain level, then the ATO require your income tax to be paid in instalments. This is called the Pay As You Go (PAYG) instalment system. You are entered in to this system by the ATO if you have had a large tax bill at your yearly assessment. It is designed so you don't have to pay your tax in one lump sum, but monthly or quarterly spread over the financial year. When you lodge your next tax return you may receive a refund or a

bill for the shortfall. The ATO will send you a letter letting you know that you are now in the PAYG system and the amount of tax you will be required to pay each quarter. Each quarter you will receive a PAYG instalment notice also known as Income Activity Statement (IAS). This will come as a letter or via your myGov account.

## Companies – Changes to the way we send Annual Company Statements

Since March we have changed the way we send the Annual Company Statements to all our registered companies. We are now using a software called NowInfinity. It allows clients to sign Minutes and all ASIC forms electronically. It also sends email reminders to pay so you avoid the penalties that are quickly issued by ASIC.



## GST – 10% Doesn't belong to you

This year marks to 18th anniversary of the GST (Goods and Services Tax) and it still is a challenge for some business owners. Over the 18 years, Australia has experienced growth and then hardship of the GFC. Small business owners have struggled with rising costs and debtors defaulting on payments.

We have seen many clients who have been caught up in tax debt because when it comes time to pay your GST, the money has already been spent. Keep in mind that the extra 10% you collect in GST for products or services sold belongs to the Australian Taxation Office, not you. The best way not to be caught in the GST trap is to put the money aside and avoid the temptation of spending it.

# Office News

## Single Touch Payroll For Employers - ATO

Single Touch Payroll is the new reporting system for employers of 20 or more employees. The system starts from 1 July 2018, from 1 July 2019, the system will also apply to employers with 19 or less employees.

You will report payments such as salaries and wages, pay as you go (PAYG) withholding and superannuation information from your payroll solution each time you pay your employees. Your payroll cycle will not change. You can still pay your employees weekly, fortnightly or monthly. Please note that all employees will need a My Gov account to be part of the Single Touch Payroll System.

If you use payroll software, your software provider will contact you shortly about updates to your payroll system. If you do not use a payroll software, you will need to choose one that offers Single Touch Payroll and start reporting from 1 July 2018. Please ask Maria about the best solution for you [maria@herns.com.au](mailto:maria@herns.com.au) or call 83446011.

## Trading names are being retired

The Australian Business Register (ABR) is working with Australian Securities & Investments Commission (ASIC) in preparation for the retirement of trading names.

To continue trading under a specific name, you need to register it as a business name. After a business name is successfully registered it will appear on ASIC's business names register and the ABN Lookup.

From November, all trading names will be removed from ABN Lookup. Only registered business names will continue to be listed, so check you have registered your trading name as a business name with ASIC by then. If you have any queries, please don't hesitate to contact us.

## Peterborough Visit

Brian will be making his annual visit to Peterborough on Friday 17th August.

Please contact us on 8344 6011 or [reception@herns.com.au](mailto:reception@herns.com.au) to book an appointment time.

## Estate Planning



An estate plan is particularly important for families with complex requirements such as providing for a second spouse or loved ones with special needs. It's also important where there has been a history of, or the potential for, family disputes.

Hern and Associates have had a long association with Australian Executor Trustees and they are happy to assist clients in the areas of:

Specialist estate planning advice, including taxation planning and advisory services

- Will and Power of Attorney preparation
- Estate Administration
- Trustee services – Testamentary Trusts, Living trusts, Family Trusts and Charitable Trusts
- Attorney Services

An adviser can meet you at our offices in Walkerville or you can see them in the Pirie Street head office. Please contact Hern & Associates on 8344 6011 or email Adrienne at [adey@herns.com.au](mailto:adey@herns.com.au) to book a free, no obligation appointment.

## Lyndal is Married!

We are very happy to announce Lyndal Hern married Eddie Morrison. We had a lovely time celebrating their wedding on a beautiful May day. Best wishes on this wonderful journey, as you build your new lives together!







## Global Business Camps

### 30 July -1 August 2018

Global Business Camp is a 3 day camp that we attended in early December 2016 to work on our business and also to really check out the whole concept. The event proved to be excellent and we came up with many great ideas and strategies, and now Brian and Maria are keen to attend with you. We believe that spending these 3 days to help drive your business for the next 12 months, and address all of the concerns that small-to-medium business owners are worried about, is time well spent.

The next event will be held on the Gold Coast in July 2018 and, as we mentioned above, we want you to attend with us so that we can work together on improving your business. One of advantages of this event is that you will have Brian and Maria working closely with you for the 3 days. That is a massive value add opportunity. You will be given so many ideas to help grow the business and you will also spend time planning and working out strategies for improvement.

We would like you to seriously consider coming along with other key team members from your business. The whole event is 100% tax deductible, as the Government wants small businesses to succeed. As clients of Hern & Associates you also have access to a VIP discount of \$2,200 – saving \$1,100. You can register to book your spot, and then pay by instalments if you wish. Global Business Camps are so confident in the product, the content and execution of the camp that they offer a **100% money back guarantee** if you are not satisfied.



**To register your interest and for more information about travel and payment plans.**

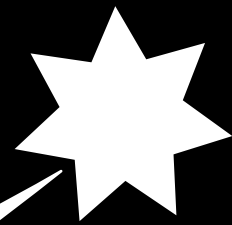
Talk to Adrienne, Maria or Brian on 83446011 or email [adey@herns.com.au](mailto:adey@herns.com.au)



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*Don't wait to be affected, get on the front foot and grow your business now!*

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## Federal Budget 2018

As widely anticipated, Treasurer Scott Morrison's third Budget has cut income taxes, boosted support for senior Australians, promised a return to surplus by 2020. That's a year earlier than previously thought possible and would be the first surplus since 2007-08.

### Tax reform

Ten million low and middle-income earners earning up to \$90,000 a year will receive up to \$530 in tax relief per year beginning on July 1. Wealthier Australians will have to wait a bit longer under a sweeping 7-year plan to create a single income tax rate of 32.5 per cent for workers earning between \$41,000 and \$200,000 a year.

The ATO will receive a \$260 million funding boost from July to increase Audits on tax payers. The ATO will be focusing on tax payers with work-related expenses and rental properties. **Please be sure to take Odometer readings at 30 June as Motor Vehicle expenses will be a target of the ATO.**

### Small Business

Small businesses, sole traders and start-up businesses with a turnover less than \$10 million will get an immediate tax deduction for individual assets they purchase which cost less than \$20,000. This tax deduction can apply to as many items as you like. This arrangement has now been extended again for another year and will continue until 30 June 2019. From 1 July 2019 the immediate tax deduction will revert back to items costing less than \$1000.

## Aged Care

Aged care is set to get a big injection of funds as baby boomers move into retirement. The Treasurer announced an increase in aged care funding over four years, including \$1.6 billion for 14,000 additional home care packages to help older people stay in their own home for longer.

An extra \$1.4 billion for listings on the Pharmaceutical Benefits Scheme will also be added to assist Australians with serious illnesses to afford necessary drugs.

There's also \$1.3 billion over 10 years to a National Health and Medical Industry growth plan, which will include \$500 million for genome research.

The Pensioner Work Bonus will be extended so retirees can earn more money without affecting their pension. Retirees and now self-employed seniors will be able to earn up to \$7,800 a year before reducing their pension payments.

### Superannuation

Exit fees on superannuation accounts when you want to change funds will be abolished.

Insurance through superannuation will become an opt-in for members who have account balances of less than \$6,000, are under the age of 25 years, or whose accounts have not received a contribution in 13 months and are inactive. These members will still have the opportunity to obtain insurance through their superannuation if they choose to do so. The changes will take effect on 1 July 2019.

Inactive account balances below \$6,000 will need to be transferred to the ATO, who will be expanding their data matching processes to reunite these inactive super accounts with the member's active account, where possible.