

# The Institute of Certified Bookkeepers

## Newsletter

March 2009

A PDF copy of this newsletter is available, [click here](#)

[www.icb.org.au](http://www.icb.org.au)

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March 2009  
*Happy 3<sup>rd</sup> Birthday ICB Australia*



## Welcome to our Brave New World – Tax Agent Service Act 2009 becomes law

The Senate passed the Tax Agent Services Act 2009 without amendment on 12 March 2009.

Royal assent was given on 26 March 2009.

Now the Treasurer will seek nominations to the new Tax Practitioners Board.

The law is expected to come into effect 1 January 2010

DON'T APPLY YET – cause you can't yet!

The *Tax Agent Services Act 2009* includes the definition of a business activity statement (BAS) service and specifies who must register as a BAS agent.

The remaining provisions, including the registration of BAS agents, will commence on a date to be fixed by Proclamation or on the date nine months after the day on which the Tax Agent Services (Transitional Provisions and Consequential Amendments) Bill 2009 and the Regulations have yet to be presented to Parliament. You can obtain a [draft copy of that Bill here](#).

Full details can be obtained from the our website - [click here](#)

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## **The Definitive Guide – Professional Bookkeeping including the new BAS Agent Legislation**

Being a professional bookkeeper is more than just entering details, producing reports and submitting forms. A professional bookkeeper talks with the clients tax agent, seeks guidance, has Professional Indemnity insurance and Public Liability insurance, keeps informed, keeps updated, has formal training, has software expertise, has professional affiliations but most of all, has a sense of humour ☺

The ICB has put together comprehensive guide on how to be a professional bookkeeper, the new legislation, its requirements and further valuable information – to assist you now and as we move forward.

Members can obtain a copy of this guide [here](#).

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## **A Day to Remember – ICB 2009 Information Sessions Round Up**

During March, ICB travelled across this wide brown land (though it does appear that only SA and Vic are brown at the moment, every where else is very green) hosting A Day to Remember – An Information Session for Bookkeepers. Hopefully we managed to allay some fears and provide positive solutions.

Starting on March 4 in Canberra, ICB addressed 354 bookkeepers - and a sprinkling of Certificate IV training providers nationwide.

50 bookkeepers in Canberra, 71 in Brisbane, 54 in Sydney, 15 in Darwin, 63 in Melbourne, 6 in Hobart, 45 in Adelaide and 51 in Perth attended with extremely positive feedback:

We were all very impressed with each facet of the presentation – Matt and John have done a great job, so a big thank you from your mybiz devotees.

A Day to remember – was a great success!  
I thoroughly enjoyed it and was amazed how well I had been informed by you.  
It was definitely well spent time, thank you.

Thanks so much for the great seminar yesterday. It has made things a lot clearer on where we are heading and what we need to do to be compliant. Matthew is just a fountain of knowledge and I know he wouldn't be as good as he is without a strong support team behind him, so you all need congratulating.

Last weeks seminar "A day to Remember" was excellent

Please accept my congratulations on another successful, informative day.

It is great to see the development of ICB in such wise hands and the direction you are taking is undoubtedly going to see a respected profession continue to emerge.

The positive response to wanting to get together in regional network meetings was overwhelming, so watch this space for further details.

A very big thank you to all who attended, your ongoing support is greatly appreciated.

Stay tuned as we will be running similar sessions (except they will be bigger) nationally next March

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## Managing business through this economic crisis

Every business needs a business strategy in every economic situation!

Every business needs to review and change and manage that strategy as the economy changes!

Business (ourselves, our clients or our employers) need a thought process to manage what they do as this “economic downturn” may effect business.

Whether you feel the economy is where the politicians and commentators tell us it is or not; “crisis” is a very emotive term and I am not sure we are there yet!

The economy is in an interesting space even though some of it may be just because we are being “told” it is. (Our share values are down – and that is the subject of a whole different discussion)

RAN-ONE is a business consulting and coaching network for accountants that I have been a member of in the past. They have published the following ideas:

What should we think about for our businesses?

- 1) Reassess the competitive element that generates profit and sustainable success
- 2) Change the way the business works to adapt quickly to the changed environment
- 3) Manage for cash

For the full article:

[http://www.ranone.com/files/RANONE/RocketReport\\_MngingThruEconomicCrisis\\_AP\\_v2.pdf](http://www.ranone.com/files/RANONE/RocketReport_MngingThruEconomicCrisis_AP_v2.pdf)

For related business survey results and report: [http://www.ranone.com/whatsnew\\_ranone/](http://www.ranone.com/whatsnew_ranone/)

For information about who Ran-One is: <http://www.ranone.com/AboutRANONE/>

**Matthew Addison**

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## What does the economic stimulus package mean for bookkeeping?

### 1) Keep good obvious records of Capital Expenditure:

Last months newsletter (details available here - **“Bookkeepers take note”**) included comment about identifying capital expenditure that your clients should be considered for the only real concession from the packages – the 30% investment allowance.

### 2) Nothing else

The government has announced a couple of other “stimulus” initiatives for business in the form of the PAYG Instalment amounts paid by business. Both of the initiatives only effect the timing of payments of the tax – it does not remove nor reduce the amount of tax at the end of the day. The reduction in the GDP uplift factor on those businesses who elected to pay PAYG instalments using the ATO instalment system will reduce the current instalments, but the amount of tax that will have to be paid by the business will still be the same – just paid later. The first reduction in the PAYG instalments announced also has the same effect – a timing benefit but not forever.

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## **Sick leave / Personal Leave / Compassionate leave / Carers leave**

Keeping the books for employees leave has now changed!!!!

From the current version of the Workplace Relations Act:

The “Standard” terms are described below. It applies to all employers and employees in the federal system except those covered by a transitional award and those covered by a pre-reform agreement or preserved state agreement.

**What is Personal leave?** This is the term now used to cover all of “Sick” leave, “Compassionate” leave and “Carers Leave”

**What happened to Sick Leave?** Really it has now changed its name to Personal leave.

**What is Carers Leave?** It is a type of Personal Leave that an employee takes to look after someone else (immediate family or household member)

**What is Compassionate Leave?** A different type of leave that an employee can take when someone else (immediate family or household member) gets a life threatening injury or illness or they die. 2 days per incident

### **Employers Obligations**

- 1) Accrue 10 days (76 hours) paid Personal Leave per year for each full time (38 hours per week) employee\*  
Carers Leave, Compassionate Leave & Sick Leave come out of this Personal Leave entitlement.
- 2) Allow a maximum of 10 days paid “Carers leave” to be taken per year (so even if they have a larger accrual the amount of paid “Carers leave” can be limited to 10 days per year)
- 3) Allow Compassionate leave of 2 days per occasion, paid out of the personal leave entitlement.
- 4) Allow an extra 2 days “Carers Leave” unpaid to an employee “for each occasion they need it”
- 5) Personal leave accrual is cumulative i.e. the entitlement carries over from year to year.

### **Employees Obligations**

- 1) When taking sick leave: let their employer know as soon as possible & Supply a Medical Certificate if requested by the employer (or a Stat Dec).
- 2) When taking carers leave: No Certificate required if unable to provide it due to reasons beyond their control.

### **\*Keeping the books – for leave**

For each completed 4 week period: an entitlement to 1/26<sup>th</sup> of the scheduled hours worked (maximum accrual is 1.4615385 hours per week) should be accrued as Personal Leave.

When Sick leave is taken it should come out of this entitlement.

When Compassionate leave is taken it should come out of this entitlement.

When Carers leave is taken it should come out of this entitlement.

A separate record should be kept as to total amount of Carers leave taken each year – as only 10 days in total has to be paid each year.

A separate category of “Unpaid Carers Leave” might be required to keep track of any such events.

The balance of any Personal Leave entitlement is carried over into the next year.

### **Further reference**

<http://www.workplaceauthority.gov.au/tools-resources/fs-personal-leave.asp>

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## Use of the ICB Crest

The ICB crest is issued to Associates, Members and Fellows of the ICB who also hold a current Practising Certificate and have provided details of their Professional Indemnity Insurance.

The crest always remains the property of the Institute and the Terms and Conditions of its Use (which are provided with the crest and available on request) must be adhered to.

The crest is for use by the approved ICB member **ONLY**

- The crest is not to be used on corporate business cards in a business other than the business cards of the ICB member.
- On business websites / stationery the ICB members name and membership number must be clearly displayed under the crest at all times – no exceptions.
- The crest cannot be used in a way that it can be interpreted that ALL persons in the business are affiliated with the ICB (unless all the persons in that business **are** ICB members).
- You cannot change the colour of the crest – it must always be displayed in the colours as provided, mono colour is not acceptable.

We will be following up members in the following weeks who are not currently following these guide lines.

If you think you are outside these guidelines or wish to use the ICB logo in a way that you aren't sure about send us a note for us to think about. ICB credibility needs to be protected but needs to be utilised for the benefit of all members.

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## Other things happening in the world

GST was supposed to remove so many taxes: We are seeing the next step in the reinstatement of all those taxes that were removed with the implementation of GST in Australia. The Victorian government is looking to have stamp duty applied again to more transactions.

### BOOKKEEPING ISSUES

**Q:** Do I charge GST when I charge the customer a 1.5% Credit Card surcharge?

**A:** If you think in terms of offering a discount to a customer the GST impact on the Discount amount relates directly to the GST status of the underlying sale. So if all the sale has GST applied then all the discount has GST included. If 60% of the sale total had GST included then 60% of the discount has GST included. The same applies to the Credit Card surcharge: the GST status of the surcharge is directly related and proportional to the underlying sale. (<http://www.ato.gov.au/businesses/content.asp?doc=/content/17956.htm&page=15&>)

**Note:** Your charging of a GST surcharge is not considered a financial supply under GST. It is deemed to be part of the price you have chosen to charge the customer for the underlying good or service.

**Q:** A New Zealand client is insisting that they take the GST out of the payment to me (an Australian)?

**A:** <http://www.ird.govt.nz/yoursituation-bus/bus-aust-nz/tax-basics/gst/tax-basics-gst.html#043>

(Have a look for an outline of their system but then also the interaction with Australia)

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## Membership Benefits

For all members of the ICB (sorry not Student or Subscriber Members), we are delighted to offer you a professional email address.

We can set up either an alias or pop email – [your.name@goodbookkeepers.com.au](mailto:your.name@goodbookkeepers.com.au) (this is the set format).

To take advantage of this offer, download the @goodbookkeepers.com.au form [here](#) and return it to us.

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## Latest News

- > Completing your 2009 fringe benefits tax return .....[click here](#) for the full story
- > SBR conference - Save the Date.....[click here](#) for the full story
- > Latest taxation statistics released.....[click here](#) for the full story

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## What's new on the ICB Website

- > The Definitive Guide – See the article above.....[click here](#)
- > BAS declaration.....[click here](#)
- > BAS Service Provider Newsletter – edition 23, February 2009....[click here](#)
- > BAS Service Provider Newsletter – edition 24, March 2009....[click here](#)

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## Membership Statistics

**1166** in total: 658 people maintain Affiliate, Associate, Member or Fellow membership (excluding our 268 Student members and 82 Subscriber members), there are 9 waiting upon approval from the Admissions Board, a further 149 applications in progress.

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## Renewals

Membership renewals can be made at any time, otherwise, we will let you know in the month prior to your membership expiring.

You can download a Member renewal form [here](#) and a Practising Certificate renewal form [here](#) and return to us by mail (Level 27, 525 Collins Street, Melbourne 3000) or Fax: 1300 85 73 93.

If you are having any problems regarding your membership renewal, please contact us. By working together we can overcome most issues and assist you in retaining your hard earned membership.

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