

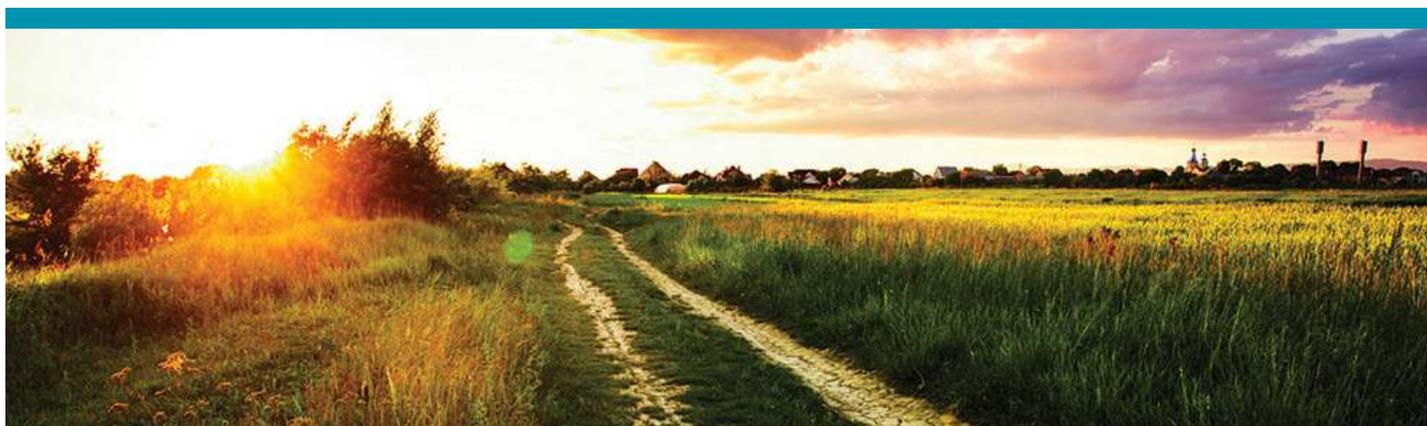
Seeking local Not-For-Profit to support - we want you!

Know a great local charity that could do with some support? We are looking for recipients for our casual cash initiative.

On the last Friday of every month our team wear casual clothes and donate gold coins. Each quarter we donate these funds to a local charity that is doing great things in our community.

We are proud to have previously supported Central Victoria Lifeline, Zonta Bendigo, Cystic Fibrosis Victoria, CFA Lockwood and Maiden Gully, Bendigo Foodshare, Bendigo Cycling Classic, HITmas Christmas appeal, Castlemaine Health, Bendigo Sustainability Group and more.

To nominate a charity as our casual cash recipient please email us at afs@afsbendigo.com.au.



October economic update

We welcome October and farewell football fever as we enter the final stretch towards Christmas. It's traditionally a busy time for households and on the business and economic scene, as we prepare for the end of another year.

As expected, the US Federal Reserve lifted interest rates for the 8th time in September, by 0.25% to a target range of 2.0-2.5%. The US economy is growing strongly, with growth of 3.1% forecast for 2018 and inflation on target at 2%. The Federal Reserve forecasts one more rate rise this year and three in 2019.

Meanwhile, Australia's cash rate remains at a historic low of 1.5%. The growing differential between local and US rates pushed the Australian dollar lower in September to around US72.5 cents.

Overall, our economy is in good shape. Australia's record economic expansion is in its 28th year, with growth up 0.9% in the June quarter, 3.4% on an annual basis, the strongest in six years.

The Budget deficit fell to \$10.1 billion in 2017-18, the smallest in a decade, with more Australians in jobs and record company profits boosting tax revenues and reducing the welfare bill.

We hope you enjoy this edition of the Client Update.



Now hiring

Practice Manager

Experienced Audit
Services Accountant

Audit Services
Administration Assistant

For more details on these
positions please visit
afsbendigo.com.au/vacancies

Tax return required for excess superannuation non-concessional contributions

The Australian Taxation Office (ATO) has reminded taxpayers that they need to lodge a tax return for any financial year in which they exceed their superannuation non-concessional contributions cap, and that making excess contributions may lead to paying extra tax.

The annual non-concessional cap for individuals is \$100,000 (or \$300,000 over three years for people aged under 65), provided you have a total superannuation balance of less than \$1.6 million at 30 June of the prior year. The ATO determines if you have exceeded the non-concessional cap by looking at your date of birth and the information reported by your superannuation funds, as well as your tax return.

Taxpayers who go over the non-concessional cap can withdraw the excess contributions (plus 85% of the associated earnings). The full amount of the earnings are then included in the taxpayer's assessable income (and subject to a 15% tax offset). If an individual does not withdraw the excess contributions they are taxed at the top marginal tax rate (plus the Medicare levy).



Wine Equalisation Tax change now in place

If you produce wine, sell wine by wholesale or import wine into Australia, you have to account for Wine Equalisation Tax (WET).

WET is a tax on wine at 29% of the wholesale value of wine and is applied if the trading entity is registered or required to be registered for Goods and Services Tax (GST).

The tax is designed to be paid by the end consumer. This is generally on the last wholesale sale of wine, which is usually between the wholesaler and retailer. However, WET may apply in other circumstances such as cellar door sales or tastings, where no wholesale sale has occurred. The tax also captures importing wine, whether or not the trading entity is registered for GST.



A number of changes have been made to the legislation which came into effect on 1 July 2018. These include:

- the producer rebate cap for each financial year is now \$350,000 (previously \$500,000)
- the eligibility for claiming the producer rebate
- the ownership of the source product
- tightened eligibility criteria for the producer rebate now applies to all wines
- the information required when buying under quote.

For more details on these changes and how you may be impacted visit our blog: afsbendigo.com.au/wet-is-here

Free checklist: assess non-financial areas of your business

As part of the Small Business Festival in August, we presented an event called 'Review and Improve your Business'. During the evening each attendee was able to meet experts in the fields of service, sales, marketing, team, strategic planning, budgeting/cashflow, productivity, profitability, leadership and balance to discuss their biggest business issues.

In the areas of team, leadership and balance, Di Kenyon of DK Transformations and our CEO Kate Mannix were able to discuss topics with businesses from managing performance issues, developing a great culture to getting the work-life balance right.

Di also shared with the attendees a checklist to critically assess four key areas of your business outside of the traditional financial zones.

We encourage you to take some time to determine if any of these areas of your business need some attention. For a copy of the checklist visit www.bit.ly/dikenyontr



Employer update

Changes to minimum shift length for casual employees

From 1 October 2018 a casual employee must be engaged and paid for at least two consecutive hours of work on each occasion they are required to attend work.

A number of awards will be impacted by the change.

For further information and assistance on any aspect of your employment obligations, call Daniel King, Business Services Manager at AFS on 03 5443 0344.

Changes to long service leave

From 1 November 2018 the new *Long Service Leave Act* will come in effect. The key changes include:

- Employees will be able to take long service leave following seven years of service rather than 10 years.
- Up to 12 months of unpaid parental leave will count as service and unpaid parental leave of greater than 12 months will not break continuity of service.
- Changes to the calculation of ordinary hours and ordinary pay where employees' hours or rates of pay have changed.
- Employees will be able to request to take long service leave in blocks of a single day.

There are multiple actions required of an employer to ensure the updates are administered effectively. Make sure your business is ready. For more details visit afsbendigo.com.au/updates-to-long-service-leave

Single Touch Payroll for less than 20 employees

Single Touch Payroll (STP) reporting is now in place for employers with more than 20 employees. If you have less than 20 employees you are not required to switch to STP reporting until 1 July 2019, however, the option is available to switch now.

We recommend doing this before it is mandatory so you are prepared for the change

If you would like some assistance putting this into place or to discuss your options please call 03 5443 0344 to speak to one of our software experts.

Note: The ATO has been seeking expressions of interest from digital services providers to develop a low or no cost STP software for the micro employer market, particularly those with one to four employees.

Significant change to Enduring Power of Attorney (Medical Treatment)



On 12 March 2018 the **Enduring Power of Attorney (Medical Treatment)** was replaced with **Appointment of Medical Treatment Decision** for Victorians.

Previously the document allowed you to appoint one person to make decisions about your critical care (eg. life support), but didn't have scope for directing how that person should make those decisions.

This was seen as a major gap as many people hold firm beliefs that they should have the right to legally enshrine their medical care, particularly end of life decisions.

An Appointment of Medical Treatment Decision allows you to:

- appoint a person to make health care decisions for you, including allowing you to appoint more than one person, which the current document does not allow
- include instructions on whether certain types of medical treatment should be allowed or refused
- include your values which are to guide your Attorney in making medical decisions
- appoint a support person to assist with representing and communicating your decisions.

These changes have been welcomed as they provide greater ability to direct your future medical care, and give the Attorney greater clarity in what can otherwise be a stressful and emotional time.

If you have made an Enduring Powers of Attorney (Medical Treatment) prior to 12 March 2018 it will remain valid.

Having said that, this is a perfect opportunity to review your estate planning documents.

Call us on 03 5434 7600 to get started.

2018 Community Bank® National Conference

Bendigo and Adelaide Bank held its National Community Bank® conference in Bendigo during September.

It was a wonderful opportunity for the AFS team to catch up with our clients from all over the country while they were in town.

We loved putting faces to names and hearing the great stories of how the individual Community Banks are partnering their communities.



Supporting our community

We recently donated to the Sacred Heart Mission for their "One Heart, One Home" campaign. All donations were quadrupled by the organisation to help cover a funding gap for their new building project, which provides accommodation, health and support services to people who are experiencing chronic disadvantage or homelessness.

The fundraising goal of \$1 million was achieved and spilled over to \$1,106,842. A great result.

For more details see www.charidy.com/sacredheartmission

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