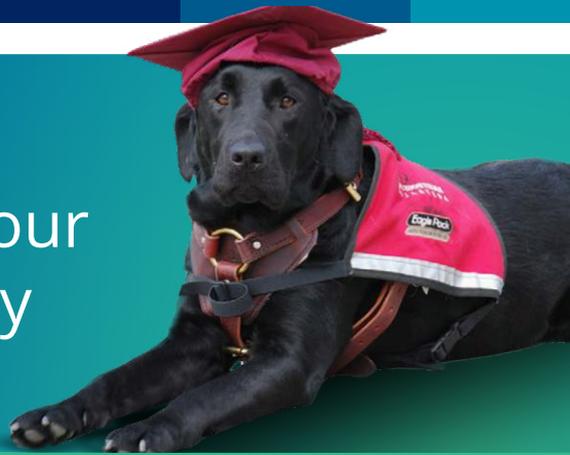


## Supporting our community



Righteous Pups is a not for profit organisation established in 2003 with a mission to raise and train assistance dogs. From a young age the puppies are trained for autism assistance, medical alert and therapy roles which empower children, teenagers, adults and their families to live with greater independence and quality of life.

The assistance dogs perform a variety of practical tasks for children and adults with mobility issues and act as companion dogs for the elderly and socially isolated. The impact each dog makes on the life of their recipient is priceless.

Each dog costs approximately \$29,000 to rear and train over a two year period. The dogs are then placed with their recipients at no cost.

In May our team members Alisha, Jess and Jessica attended a morning tea at ANZ Bendigo where they heard from Joanne Baker, Managing Director of Righteous Pups.

The charity is currently seeking more funding to provide a local family with an assistance dog for their daughter with severe autism, anxiety and schizophrenic tendencies. They are currently \$4,000 away from being able to have the dog permanently with the family.

We have chosen to support Righteous Pups as our casual cash recipient this quarter as they are solely funded through community donations, receiving no Government grants so every little bit helps.

If you would like to donate to this worthy cause please visit:  
[www.righteouspups.org.au/donate](http://www.righteouspups.org.au/donate)



## Donate your blood and save lives

We are proudly a volunteer friendly workplace, allowing our team to donate blood during work hours whilst still on the clock!

The Australian Red Cross Blood Services are currently seeking extra 0-negative blood donations, however, donations of all blood types are gratefully received. The blood type 0-negative, also known as the 'universal blood', can be given to any patient in an emergency because any blood type can receive it.

This year already the team at AFS and Venture have saved up to 51 lives through whole blood and plasma donations.

National Blood Donor Week is from the 9 - 15 June. If you have been thinking about donating blood now is the time. For more information on donating blood visit [www.donateblood.com.au/one-step-closer](http://www.donateblood.com.au/one-step-closer) and help someone's life today.

## Economic update

The end of the election uncertainty and the investor friendly policies of the coalition produced a relief rally on financial markets. The Australian dollar bounced back above US69c after falling to three year lows the day before the election, while local shares surged to an 11 year high before losing some of their gains the following day.

The Australian dollar more broadly has suffered from a flight to safety as trade tensions between the US and China escalate, pushing the US dollar higher. Global bond yields and share prices also fell in May.

In Australia, the Reserve Bank has trimmed its economic growth forecast for 2019 from 3% to 2.75% where it is expected to stay until at least June 2021, despite rising iron ore prices. This is against the background of a lift in the unemployment rate from 5.1% to 5.2% in April and a slide in business sentiment. New vehicle sales, a bellwether for consumer confidence, fell to their weakest level in nine years in April, down 8.9% over the year.

**Breaking news:** The Reserve Bank cut the cash rate from 1.5% to 1.25% on 4 June 2019 to help stimulate a slowing economy.



## Getting prepared for tax time

Tax time is just around the corner which means now is your chance to optimise your tax position before 1 July 2019.

### Where to start?

Your first task should be to make sure your records and paperwork are in order. Consider doing a stocktake as well as summarising your business' income and expenses over the year. Knowing where you and your business is right now will provide a sound launching pad for determining your end of financial year (EOFY) tax strategies.

### Plan ahead, pay ahead, claim instantly

One of the key EOFY strategies is to pay ahead for a variety of expenses so you can bring them forward into the current financial year and reduce any tax liability.

You could consider paying business or personal insurance premiums up to 12 months in advance, or you could pay annual subscriptions or professional body membership fees in the current year so that you can claim them in 2019.

Other deductible expenses might include costs associated with travel, investment properties and setting up a website. Be mindful there have been changes introduced in the current year for investment property deductions.

### Take advantage of tax free superannuation

Now is a good opportunity to make sure you are maximising your superannuation contributions through salary sacrifice or voluntary personal contributions. As of this year, the maximum you can make as a concessional contribution is \$25,000 regardless of age.

If your employer's payment falls short of this amount, it makes sense to top it up. The tax-free environment of superannuation once you have reached the age of 60 makes it a very attractive investment.

### Clear the debts

Check any outstanding debts to your business. If you think payment is unlikely, then it's probably wise to write off the bad debt. You might also look at selling any obsolete equipment to free up some extra cash.

Giving yourself time to assess your situation and pursue the most tax effective strategies is vital to a healthy business.

If you want to discuss your EOFY tax planning ahead of the 30 June deadline give us a call on 03 5443 0344. The earlier you start planning, the more tax saving options you may have.



## Increased instant asset write-off with Budget changes now law

Changes to the instant asset write-off rules have now become law, including measures recently announced in the Government's Federal Budget.

The write-off has been extended to medium sized businesses (with aggregated annual turnover of \$10 million or more, but less than \$50 million), where it previously only applied to small business entities (with aggregated annual turnover of less than \$10 million).

The second important change is that the instant asset write-off threshold increases to \$30,000, where it was previously \$25,000.

The changes apply from 2 April 2019 to 30 June 2020, and the write-off works on a per-asset basis, so eligible businesses can instantly write off multiple assets.



## Single Touch Payroll: low cost solutions now available

Single Touch Payroll (STP) is a payday reporting arrangement where employers send tax and superannuation information to the Australian Taxation Office (ATO) from their payroll or accounting software each time they pay their employees. STP reporting will be required for all employers from 1 July 2019.

A range of free and low cost STP solutions are now available. The solutions take only minutes to complete each pay period and do not require the employer to maintain the software. They will best suit micro employers (with one to four employees) who need to report through STP but do not currently have payroll software.

We are here to help you. Call 03 5443 0344 to arrange your STP payroll reporting by 30 June 2019.

# ATO HOT SPOTS THIS FINANCIAL YEAR

## ATO to ramp up ABN investigations and cancellations

The ATO is ramping up its focus on inactive ABNs over the coming months to identify businesses that are no longer trading or where owners have forgotten to cancel their ABN when they ceased business.

For example, if business income isn't being reported, or where the Australian Securities and Investments Commission (ASIC) deregisters a company, the ATO may then cancel the ABN where there's sufficient evidence the business is inactive. An ABN will also be cancelled when the taxpayer themselves advises they've stopped their business activities, or when they lodge a final tax return.

If an ABN is cancelled and the holder is still running a business, or an ABN application is refused, the taxpayer can object to the decision within 60 days.

If your ABN seems to be inactive, the ATO may ask you for evidence that you're setting up or still running a business. We can help you with putting together this information, or with applying to have your ABN reinstated if it's incorrectly cancelled.

## ATO audits to double for rental deduction claims

The ATO has warned that it will increase its scrutiny of rental related deductions this year after audits found there was a 90% error rate for rental property tax deduction claims.

It says some people are still claiming travel to rental properties, despite the changes in 2017 no longer allowing tax deduction claims for travel expenses related to inspecting, maintaining or collecting rent for a residential rental property.

The ATO expects to more than double the number of its in-depth audits this year with a specific focus on:

- over-claimed interest
- capital works claimed as repairs
- incorrect apportionment of expenses for holiday homes let out to others
- omitted income from accommodation sharing.

Although the laws have tightened on rental related deductions, there may still be a number of deductions you could be missing. We recently published a blog on commonly missed deductions. To see these visit [afsbendigo.com.au/commonly-missed-deductions](https://www.afsbendigo.com.au/commonly-missed-deductions).

## New 'TPAR' reporting for a range of industries

If you operate a business within the building and construction industry and make payments to contractors for building and construction services you will be familiar with the need to lodge a Taxable Payments Annual Report (TPAR).

The rules this applies to have been broadened and any businesses operating in cleaning services or courier services will also be required to lodge a TPAR which started from 1 July 2018. The first TPAR for these industries needs to be lodged with the Australian Taxation Office (ATO) by 28 August 2019.

The TPAR provides information to the ATO about payments made to contractors and allows the ATO to check these contractors are reporting their income correctly.

*Contractors can include subcontractors, consultants and independent contractors and they can operate as sole traders (individuals), companies, partnerships or trusts.*

Information to be reported in the TPAR is generally obtainable from invoices provided by a contractor, including their ABN, name and address and the gross amount (including GST) paid to them during the financial year.

The TPAR can be lodged online using the Business Portal or Standard Business Reporting (SBR). If you don't have Business Portal access, we can lodge on your behalf via the AFS Tax Agent Portal.

Alternatively you can complete a paper copy of the TPAR and mail it to the ATO.

Now is also a good time for any businesses in the IT, road freight and security industries to start preparing as they will be required to lodge a TPAR from 1 July 2019 (first report due 28 August 2020).

## Fringe Benefits Tax: rates, thresholds and ATO focus for 2019–2020

The ATO will focus on monitoring a range of Fringe Benefits Tax (FBT) issues in the 2019 - 2020 year, including:

- employers who fail to report motor vehicle fringe benefits
- employers who incorrectly apply exemptions for vehicles
- identifying mismatches between amounts on FBT returns and the income amounts on the employer's tax return
- looking for incorrect classifications of entertainment expenses
- monitoring issues around car parking fringe benefits
- following up with taxpayers who don't lodge FBT returns on time.

The ATO has issued its annual rulings about rates and thresholds that apply for the new FBT year (1 April 2019 to 31 March 2020). These can be found at [www.ato.gov.au/Rates/FBT](https://www.ato.gov.au/Rates/FBT)

We can help you reduce your business' FBT liability with useful strategies like utilising FBT exemptions, using employee contributions or suggesting other ways to provide benefits to employees such as cash bonuses and more.

## Take your leave with you – new laws for long service leave



The *Long Service Benefits Portability Act 2018* has been passed by Parliament and will come into operation by 1 July 2019.

Under the new laws, workers in the contract cleaning, security and community services sectors will be able to access long service entitlements after seven years in the industry, irrespective of the number of employers they work for over that time.

Businesses in these industries will be required to register and provide a quarterly report to a new Portable Long Service Benefits Authority. The scheme will also be funded by a levy paid by these employers.

The rate of the levy will be set by the Authority's Governing Board once it is appointed.

Employees in the security and contract cleaning industries will be entitled to leave based on 1/60th of their accrued service, after seven years continuous service. Employees in the community services sector will receive a payment instead of leave.

As this is a portable scheme, workers will be able to move from employer to employer without losing their accrued entitlement, provided they stay within the industry.

This legislation is in response to a Parliamentary Committee that recommended a portable long service leave scheme and follows the successful operation of portable long service leave in the construction industry for the last 30 years.

If you are an employer or employee in this industry and have any questions call Brad King, Business Services Manager on 03 5443 0344



Brad King  
Business Services Manager

## Finally good news for borrowers

The biggest news this month was the Reserve Bank of Australia's announcement of a cash rate cut, with two of the four major banks passing on the whole reduction to their standard variable rate. It's not yet clear however if this full reduction will flow down to the discounted rates most customers pay.

For many individuals and business owners, securing finance over the last year has been tough due to increased regulation and red tape requirements; however there is good news on the horizon.

The Australian Prudential Regulation Authority (APRA) plans to loosen its current requirement for banks to use a **minimum loan 6% interest rate** when assessing a borrower's ability to service a loan.

The current requirement has resulted in potential lenders who could easily service a loan at market or a realistic rate rise being limited on lend amounts or in some cases not able to borrow at all.

For those who are looking to invest in commercial or industrial property transactions in regional Victoria the recent State Budget also provided an opportunity with a 10% concession on land transfer duty to be provided for contracts signed from 1 July 2019, increasing by 10 percentage points each year to provide a full 50% discount from 1 July 2023.

If you would like to discuss your borrowing options please contact Adam and Llew on 03 5434 7690.



The information in this document reflects our understanding of existing legislation, proposed legislation, rulings etc as at the date of issue. In some cases the information has been provided to us by third parties. While it is believed the information is accurate and reliable, this is not guaranteed in any way. Endeavor Finance is the trading name of Venture Finance Services Pty Ltd, 61 Bull St Bendigo Vic 3550 Authorised Credit Representative of BLSSA Pty Ltd Australian Financial Services License 487639.

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