

Have a tax bill? You need to read this now

The proposed transparency of tax debt (TOTD) measure will require new law to allow the ATO to report tax debt information of businesses to credit reporting bureaus (CRBs). The measure will commence when the new law is given royal assent in March 2018.

In the [2016–2017 Mid-Year Economic and Fiscal Outlook](#) (MYEFO), the government announced that the ATO will be allowed to report to registered credit reporting bureaus (CRBs) the tax debt information of businesses that do not effectively engage with them to manage those debts. The ATO is currently not allowed to report this information under the confidentiality of taxpayer information provisions.

The TOTD measure is designed to:

- Support more informed decision-making in the business community by making unpaid tax debts visible. This will enable businesses and credit providers to make a more complete assessment of the creditworthiness of a business when they consider extending credit or terms of trade. Currently, the first time creditors may learn that a business has overdue tax debts is when another creditor or the ATO commences legal action to recover the debt.
- Reduce unfair advantage obtained by businesses that do not pay their tax on time. These businesses may have a competitive advantage over businesses that comply with their obligations.
- Encourage businesses to engage with the ATO to manage their tax debts and, where an entity is unable to pay a tax debt in full, enter into a sustainable payment plan that is agreed between the tax office and the business.

Generally, this measure is intended to apply to businesses with an Australian business number (unless they are specifically excluded) with a tax debt, of which at least \$10,000 is overdue by more than 90 days. Businesses are encouraged to engage with the ATO and pay debts in a timely manner to avoid credit reporting.

The ATO recognises the important role businesses play in the Australian economy.

When a business avoids paying its debts it has an impact on other businesses, employees, contractors and their families.

The TOTD measure permits but does not require the ATO to report the tax debt information of businesses to CRBs. This is subject to safeguards, including an [independent review process](#).



Following community consultation and the development of the exposure draft legislation, the ATO will publish a [Practical compliance guideline](#) explaining how the TOTD measure will be administered, who it will affect and how to avoid having debts that will be reported. Meantime, click on the topics below to find out more about:

- [How is the ATO consulting on the TOTD measure?](#)
- [When will the TOTD measure take effect?](#)
- [How will the TOTD measure be implemented?](#)
- [What are the criteria for reporting tax debt information?](#)
- [What if a business has exceptional circumstances?](#)
- [Will a business be notified before we report its tax debt to a CRB?](#)
- [How can a business avoid being reported?](#)
- [Can a business request a review before its tax debt information is reported to CRBs?](#)
- [What information will be reported to CRBs?](#)
- [Who will receive information about tax debts?](#)
- [How long will tax debts remain visible on a credit report?](#)
- [What if a tax debt is incorrectly reported or reported in error?](#)

ATO's new look SBSCH here in Feb

On 26 February, the Small Business Superannuation Clearing House (SBSCH) service will join the ATO's online services Business Portal.

To manage the transition, the SBSCH will be unavailable from Tuesday 20 February 2018 to Sunday 25 February 2018 inclusive. During this time the ATO will be transferring your data across to the new system.

Super contribution payments in the old system must be completed prior to 3pm AEDT Monday 19 February 2018.

The super guarantee quarterly contribution deadlines remain unchanged and the next payment date is 28 January.

To access the new system you must obtain an authentication credential, either an AUSkey or Manage ABN Connections via myGov, to login to the Business Portal. More than 100,000 users of the SBSCH have obtained an authentication credential and are ready to use the clearing house when it joins the portal.

If your tax professional uses the SBSCH on your behalf, they will continue to manage your super obligations on your behalf through their online channel.

If you are a sole trader or individual employer, you will need to register via your myGov account and link to our online services.

If you are looking for an alternative to the SBSCH, contact your super fund to discuss options to paying super contributions or call Collins Hume in Ballina, Byron Bay or Lismore on 02 6686 3000.



Many happy returns to Collins Hume Partner [Christopher Atkinson](#) and Executive Assistant Carol Holton who both celebrated birthdays earlier this month! Best wishes from all of us!

Notifiable Data Breaches scheme

Robust data security was legislated in Australia under the [Privacy Amendment \(Notifiable Data Breaches\) Act 2017](#), which makes it mandatory for entities that are already covered by the *Privacy Act 1988 (Cth)* to report eligible data breaches from 22 Feb 2018.

Under the [Notifiable Data Breaches](#) (NDB) scheme, entities must notify individuals and the Australian Privacy Commissioner in the case of eligible data breaches which are likely to result in serious harm to the individual. The new requirements not only affect IT and cloud computing, but also social media and mobile device usage.

Not all data breaches are eligible

For example, if an entity acts quickly to remediate a data breach and, as a result of this action the data breach is not likely to result in serious harm, there is no notification requirement. If 20,000 people are affected by a data breach in a minor way with no serious harm, this also would not be captured under the legislation.

Every entity must ensure it is constantly addressing its own compliance needs and monitoring changes to legislation. This means keeping strategy for using IT current, and ensuring that arrangements with service providers address regularly changing business compliance issues. Read more at [What a data breach means to your business](#) or call Collins Hume on 02 6686 3000.

2018 profit and cash flow planning

Are business owners really concerned about profit and cash flow?

Many would admit either or both keep them awake at night. But that's not what business owners are MOST concerned about...

In Bstar's 2017/18 SME Research Report, profit and [cash flow](#) concerns were not among the top three concerns of Australian business owners.

Business Planning was the number one concern, followed by protecting business and family assets (#2) and stress and lifestyle (#3).

You and we both know that you need to plan; to position your business to meet current challenges such as increased competition, advances in technology and changing customer behaviour.

Business planning increases the confidence levels of business owners, but worryingly only 20% actually have a plan.

You wouldn't call an electrician if your plumbing failed.

If anyone BUT a qualified builder constructed a home and omitted key components, the value of the whole property suffers. Similarly, those who try to build a business on their own can often forget crucial elements so performance inevitably suffers, frustration sets in and quality of life quickly gets out of kilter.

Eventually, when they attempt to sell their business, the buyer points out its shortcomings and sale price drops well below expectations.

If you're building a business, you need to have solid foundations in place to maximise opportunities to achieve future growth.

As experienced Business Advisers and Accountants we believe the starting point is conducting a strategic risk analysis, to discover what's worrying business owners and finding the root cause of any profit and cash flow problems. Then we prepare a risk improvement plan for you, supported by our sounding board services:

- [Virtual Chief Financial Officer](#) (for smaller businesses); and
- [Board of Advice](#) (for medium to larger businesses)

Don't leave your success to chance – plan now to achieve your goals! Learn more about our [Business Improvement Services](#) or call Collins Hume on 02 6686 3000.

NSW Stamp Duty Exemption

From 1 Jan 2018 small businesses are not liable to duty on certain types of insurance. The exemption applies to the following:

- Commercial vehicle insurance for a motor vehicle used primarily for business purposes
- Commercial aviation insurance for an aircraft used primarily for business purposes
- Occupational indemnity insurance covering liability arising out of the provision by a person of professional services or other services (other than medical indemnity cover within the meaning of the Medical Indemnity Act 2002 of the Commonwealth)
- Product and public liability insurance covering liability for personal injury of property damage in connection with a business or arising out of the products or services of a business

A small business is an entity within the meaning of section 152-10 (1AA) of the Income Tax Assessment Act 1997 of the Commonwealth for the income year in which the insurance is affected or renewed. At present, you are a small business entity if you are an individual, partnership, company or trust that is carrying on a business, and has aggregated turnover of less than \$2M.

Visit [Frequent Questions](#) or call Collins Hume on 02 6686 3000.

Paying your mortgage

Below are 4 top tips to getting the best out of your mortgage:

■ Pay weekly or fortnightly

This will mean you will pay an extra repayment in the year but will reduce your interest.

■ Reduce your loan by making additional payments

Making extra repayments will allow you to reduce your debt faster. Note that there may be penalties for paying extra on fixed loans. Check with our mortgage professional, David Seymour, about penalties or fees on 02 6686 3000.

■ Pay higher than your minimum repayment

Paying more than your minimum repayments can make a large difference over the term of your mortgage. Note, again, that there may be penalties for paying extra on fixed loans. Check with David Seymour about any likely penalties or fees.

■ Home loan health checks

Because our needs change, the loan you originally got may not be the best loan for you in the future. Review your home loan on a regular basis to make sure it still suits your circumstances. [Contact](#) our Mortgage & Lending team to arrange a review.

Moving checklist

When the rubber finally hits the road, use our checklist after your new loan has settled and you're ready to call your new place 'home':

- Give notice to your real estate agent if you are currently renting.
- Obtain quotes from several removalists to ensure you are getting the best deal.
- Redirect your mail with the post office.
- Have enough appropriate boxes for packing and label them for each room.
- Change your driver's licence details.
- Notify appropriate companies / people of your new address.
- Disconnect electricity, gas, water and phone at the property you are leaving.
- Connect the electricity, gas, water and phone at your new property.
- Check all smoke alarms are working.



Golfers raise \$180k in 13 years for kids

THE Sommerville Laundry Lomax Lismore Golf Day was once again a huge success, raising \$12,000 for [Our Kids](#).

Each year the event has a full field and late last year was no exception.

Since 2005, more than 140 golfers have teed off and raised \$180,000 for Our Kids.

The Our Kids Golf Day started in Lismore by three golf buddies Peter Warren, Ray Lindwall and David Seymour.

They joined forces 13 years ago to start the Lismore golf day, which has helped purchase a Baselow Emergency Trolley for the Emergency Department, phototherapy lights, a humidicrib, breast pumps for mothers with newborns and phototherapy blankets.

2017's funds were spent on a vein finder, which illuminates a vein, making it easier for clinicians to access for IV therapy and will be a great help to the medical team in the Children's Ward at Lismore Base Hospital.

Crowd-Sourced Funding (CSF) update ASIC still conducting interviews / assessments of the first batch of businesses that applied to be appointed Intermediaries.

The latest information we have is that there was expectation that ASIC were to announce the first batch of Intermediary appointments by Christmas 2017 or early this year.

Interest is building in crowd sourced funding, evidenced by the cost of the Google AdWords for "Crowd Sourced Funding" increasing by 220% in the last month!

If you intend to identify whether your business is potentially able to apply for the crowd sourced funding category and then raise capital, now is the time to get started.

If you require any additional information relative to your business needing specialist crowd sourced funding advice please [contact us](#).

The Federal Treasurer has tabled in Parliament the "Corporation Amendment (Crowd Sourced Funding For Proprietary Companies) Bill 2017". This bill relates to the government's intention to allow proprietary limited companies to be able to raise capital as a crowd sourced funding company.

It would appear that this legislation will not be finalised until at least February / March 2018. Based on the timelines that were utilised for the current crowd sourced funding equity raising legislation, we believe that it would be approximately September / October 2018 before proprietary limited companies could raise capital as a crowd sourced funding company.

Equity Crowd Funding Forecast

Enable Funding (formerly ASSOB), Australia's largest crowd funding platform having raised over \$170 million for companies in Australia, has forecast that "equity crowd funding in Australia will grow tenfold in just five years".

Enable Funding forecasts are as follows:

- 2016 – \$119 million (S708 and ESIC)
- 2017 – \$210 million (S708 and ESIC)
- 2018 – \$420 million (includes CSF)
- 2019 – \$688 million
- 2020 – \$1.023 billion
- 2021 – \$1.519B

These forecasts highlight the significant quantum of capital raising that is forecast to occur in Australia over the next five years.



New Year resolutions

If you are thinking about the growth initiatives your business might employ in 2018 call us about the following support:

- **Crowd Sourced Funding** – advice for companies on all aspects of crowd sourced funding and assistance in preparation of the required documents for the finalisation of the crowd sourced funding offer document.
- **Early-Stage Innovation Company Capital Raising** – proactive support for early-stage innovation company benefits for the company and investors to identify companies that may meet ESIC's eligibility requirements.
- **[Government Grants](#)** – there are billions of dollars offered in grants each year in Australia. Are you receiving your fair share, after all, every small and medium enterprise has paid into the fund to provide such grants?
- **[Chief Financial Officer Services](#)** – if your business turns over \$2M or more per annum, why not have a discussion with Collins Hume about the type of services we can offer as a Chief financial Officer to further support and potentially grow your business?