Byfields Newsletter February / March 2021



Perth Hills bushfire emergency

Byfields would like to acknowledge both clients and staff that have been affected by the Perth hills bushfire emergency. Our thoughts are with you during this very distressing time and we hope you and your families are all safe and well.

We're just over a month into the new year and we started well until the recent COVID-19 lockdown in the Perth metro, Peel and South West regions. Hopefully, this is just a small blip in the fight against COVID-19. As we watch with bated breath as countries around the world rollout the different vaccines (and wait for our turn), we will continue to adjust to the "new normal".

But what is the "new normal"? An interesting question and a difficult one to quantify. What we do know is that our new normal will keep changing and it will change very quickly. The virus may continue to mutate into new variants so we will need to continually adapt our lifestyle to live with it like any other virus. We must continue to protect ourselves and each other and not give up the fight.

Contents

Employees now have more super choice

All new workplace determinations and enterprise agreements made on or after 1 January 2021 must allow employees the right to choose the super fund to which their employer makes compulsory super contributions.

Many employees are entitled to choose the fund employers pay their super contributions into. As their employer, you need to identify these employees and provide them with a Standard choice form so they can advise you of their chosen fund. You also need to nominate the default fund that you will pay their contributions into if they don't choose a fund.

Step 1: Identify employees who are eligible to choose

When you employ new staff, check if they're eligible to choose a super fund.

Your new employee is eligible to choose their super fund if they are:

- employed under an award or registered agreement that does not require super support
- employed under an enterprise agreement or workplace determination made on or after 1 January 2021
- not employed under any state award or registered agreement (including contractors who are regarded as eligible employees for super purposes).

If you're not sure what, if any, award or registered agreement covers your employee:

- visit the Fair Work Ombudsman website at fairwork.gov.au
- phone the workplace relations department in your state or territory
- check with your employer association.

You don't need to offer a choice of fund to employees:

- ❖ whose superannuation fund undergoes a merger or acquisition
- ❖ on a temporary working visa.

However, your employee retains the right to request a standard choice form from you.

Step 2: Provide a standard choice form

You must provide employees who are eligible to choose a super fund with a Standard choice form (or equivalent) within 28 days of their start date, unless they give you details of their chosen fund first.

You don't have to use the Standard choice form, but any alternative document must cover all the information that the Standard choice form covers.

Pre-filled Standard choice forms can now be completed by employees through ATO online services linked to myGov. You'll need to give your employee the following information:

- ❖ your employer Australian business number (ABN)
- ❖ their employment type (for example, full time, part-time, casual)
- ❖ your default super fund details
    - * name
    - * unique superannuation identifier (USI)
    - * ABN.

Existing eligible employees are entitled to change their choice of fund as often as they want to, but you only have to accept a new choice from them once in any 12-month period. If your employee asks for a choice form, you have 28 days to provide it.

You need to keep a copy of the completed Standard choice form or ATO online printed summary for your own records for five years. You don't have to send a copy to the ATO or to your employee's chosen super fund.

You also have to give an employee a Standard choice form within 28 days if you:

- ❖ can't contribute to their chosen fund or it's no longer a complying fund
- ❖ change your employer-nominated fund and you're paying the employee's contributions into that fund.

Step 3: Pay into your employer default fund until the choice form is returned

If your employees don't choose a fund or haven't provided the necessary information, and a super contribution is due, you must make the payment for them into your employer-nominated fund by the due date.

Step 4: Act on your employee's choice

Once an employee advises you of their choice of super fund, you have two months to start paying contributions into that fund.

You may be penalised if you don't offer your eligible employees a choice of fund or you don't pay their super to their chosen fund.

Key ATO Dates for February & March 2021

FEBRUARY	
January monthly activity statements (payment and lodgement)	21 February
Annual GST return (lodgement and payment) only if no tax return lodgement obligation	28 February
December quarter activity statements (payment and lodgement)	28 February
MARCH	
February monthly activity statements (payment and lodgement)	21 March
Company and super fund returns with total income of more than $2m (lodgement and payment)	31 March

For a full list of ATO due dates, go to www.ato.gov.au/Business/Reports-and-returns/Due-dates-for-lodging-and-paying/Due-dates-by-month/.

Where the Wild Things Are - Support to protect the Eucalypt - Woodlands of the Western Australian Wheatbelt

Do you have a Eucalypt Woodland* you would like to protect? It may be on your property or a local community reserve or creekline.

* The Eucalypt Woodland will need to meet a range of specific criteria.

Wheatbelt NRM recognises the importance of supporting our community organisations and individuals to manage and undertake on-ground activities to protect remnant bushland and conserve biodiversity values. Their Healthy Bushland Program provides support to community groups, groups of neighbours and individuals to help cover the cost of materials for a range of activities including fencing, revegetation, bushland weed and feral animal control.

Assessment Criteria

What assistance is available? Activities that can be supported include:

Feral Animal and Weed Control in Remnant bushland

- ✓ Herbicide for environmental weed control
- ✓ 1080 Baiting of rabbits and foxes for 3 years or, in approved cases, phostoxin for fumigation of rabbit warrens
- ✓ Cage traps for cats and foxes
- ✓ Project must demonstrate a high conservation benefit. Activities must be aimed at protection of native species and not be for the sole purpose of protecting livestock and chickens.

Fencing Remnant Vegetation

- ✓ Funding provided for fencing materials up to $4,000 per kilometre
- ✓ All material must be new
- ✓ The final fence location and specification will be approved after discussion with Wheatbelt NRM
- ✓ The fence must be stock proof and maintained as such for a minimum of 25 years
- ✓ Funding may be available for fencing of vulnerable populations of threatened flora
- ✓ Fenced areas of bushland must remain stock free for 25 years
- ✓ Maintenance is the responsibility of the land holder
- ✓ Boundary fencing will considered on a case by case basis, giving consideration to landowner's legal responsibilities. Fencing of roadside boundaries will not be approved.

Revegetation – Biodiverse

- ✓ We will cover 100% cost of seedlings
- ✓ A Species list will be developed by Wheatbelt NRM based on local species
- ✓ Seedling and seeds will be ordered from nurseries by Wheatbelt NRM to ensure quality standards are met
- ✓ Corridors should be a minimum of 30m wide
- ✓ Revegetation along waterways will be a minimum of 15m wide on either side of the main channel

What will not be funded

- × External contractors
- × Fencing along roadsides
- × Fencing of roadside boundaries
- × Machinery and equipment hire costs
- × Infrastructure such as seating, toilets and so on
- × Drainage activities

- River crossings
- Water points, windmills, reticulation etc.
- On-ground works unrelated to the bushland
- Revegetation corridors less than 30m wide
- Control of emus and kangaroos
- Control of wild dogs
- Ammunition

Generally, support will be available for the purchase of materials only, with land managers providing labour and equipment as an in-kind contribution along with maintenance of the investment. Other activities may be eligible and will be considered on the merits of the activity and the benefit to biodiversity conservation.

For more information on eligibility and how to apply, visit Where the Wild Things Are - Support to protect the Eucalypt - Woodlands of the Western Australian Wheatbelt or download a copy of the guidelines and EOI form.

Working from home shortcut method extended!

The 80 cents per work hour shortcut method to calculate working from home deductions has been extended to 30 June 2021.

You can use this method to claim all your working from home expenses for the periods:

- from 1 March to 30 June 2020, and
- for the entire 2020-21 income year.

All employees who work from home during these dates can use this method if you:

- are working from home to fulfil your employment duties, not just carrying out minimal tasks such as occasionally checking emails or taking calls
- have incurred additional running expenses as a result of working from home.

The shortcut method covers all your working from home expenses, such as:

- ✓ phone expenses
- ✓ internet expenses
- ✓ the decline in value of equipment and furniture
- ✓ electricity and gas for heating, cooling and lighting.

If you use this method, you can't claim any other expenses for working from home.

You don't need to have a dedicated work area to use this method. However, you must keep a record of the number of hours you have worked from home. This could be a timesheet, roster, a diary or documents that set out the hours you worked from home.

You don't have to use the shortcut method, you can choose to use one of the existing methods to calculate your deduction. You can use the method or methods that will give you the best outcome as long as you meet the working criteria and record keeping requirements for each method.

If you had a work from home arrangement before 1 March 2020, you will need to use one of the existing methods to calculate your deduction for the period 1 July 2019 to 29 February 2020.

The shortcut method includes decline in value of all items. If you choose to use this method there is no requirement to separately calculate the decline in value of equipment or depreciating assets. However, as you may combine methods or use a different method in later years it's important to keep the:

- receipts for depreciating assets or equipment you use when working from home
- records of how you calculated your work-related use of the asset
- your decline in value calculations.

For more information, visit Working from home during COVID-19.

ATO data-match motor vehicle regos to identify those 'driving' the cash economy

The ATO has gazetted a *Notice of a data-matching program – Motor vehicle registrations 2019-20 to 2021-22*, which will enable it to acquire motor vehicle registry data from State and Territory motor vehicle registry authorities for this period. The ATO estimates records relating to approximately 1.5 million individuals will be obtained each financial year.

Information the records will identify includes:

- A vehicle has been transferred or newly registered during the 2019–20 to 2021–22 financial years, and
- the purchase price or market value is equal to or greater than $10,000.

The data items include:

- identification details – names; addresses; phone numbers; date of birth for individuals; Australian business number; Australian company number for purchaser(s), seller(s), licenced dealer, fleet manager, leasing company (or representative of any of these); the registering person for an unincorporated body
- transaction details – date of transaction; type of transaction; sale price of the vehicle; market value of the vehicle; vehicle's garage address; type of intended vehicle use; vehicle make; vehicle model; vehicle body type; year of manufacture; engine capacity or number of cylinders; tare weight; gross weight; vehicle identification number; registration number; transaction receipt number; state stamp duty exemption; reason for stamp duty exemption; dealer's licence number.

The data will be acquired and matched to the ATO's internal data holdings to identify relevant cases for administrative action. Determine a taxation compliance risk profile of taxpayers buying, selling or acquiring motor vehicles and provide the ATO with information to:

- deliver products and tailored education strategies to support taxpayers in managing their taxation obligations, and
- identify taxpayers at risk of not complying with their taxation or superannuation obligations for referral to relevant areas for appropriate treatment.

The objectives of this program are to:

- primarily identify and address non-compliance with taxation obligations
- obtain intelligence about taxpayers that buy and sell motor vehicles to identify risks and trends of non-compliance with taxation and superannuation obligations
- identify and address taxpayers buying and selling motor vehicles who may not be meeting their obligations to register and lodge returns (including activity statements) and ensure the correct reporting of income and entitlement to both deductions and input tax credits
- use the motor vehicle purchaser's data as an indicator of risk, along with other data holdings, to identify taxpayers that have purchased vehicles with values that are not commensurate with the income they have reported
- identify cases for investigation of taxpayers of interest, such as seller(s), licenced dealers, fleet managers, leasing companies or representatives of these taxpayers to determine if the use of interposed proxy ownership is used to conceal the real accumulation of wealth, therefore representing a material threat to public revenue
- identify and deal with those taxpayers who may not have met their obligations primarily with regards to GST, fringe benefits tax, luxury car tax, fuel schemes and income tax
- promote voluntary compliance and strengthen community confidence in the integrity of the taxation and superannuation systems by publicising the running of this data matching program;
- identify, educate or deal with those individuals and businesses who may be failing to meet their registration and/or lodgement obligations and assist them to comply.

Body corporate fees - what are they and what do they cover?

When you purchase a property that is under a strata title, usually a unit, apartment or townhouse, generally one of your obligations will be to pay regular body corporate fees. These fees are payable to the body corporate or strata company managing the property, enabling them to take care of things such as insurance and maintenance of common areas. If you are considering buying such a property, it's important to know how these fees are calculated and what they go towards.

What are the different types of body corporate fees and what do they cover?

There are two main types of body corporate fees:

- Annual fees (also known as capital fund levies) – these cover administration, insurance, maintenance and ongoing costs of communal areas;
- Special fees (also known as special levies) – these cover unexpected costs, such as major repairs or legal costs, if there is not enough available money from the annual fees to cover these.

The exact rules around body corporate fees can vary slightly across different states and territories, however, so it could be worth confirming these details with the appropriate government authority in your area.

While body corporate fees might be another expense homeowners need to budget for, they are necessary to maintain, repair and insure the property.

The body corporate fees and levies typically go towards the following:

- Regular maintenance and upkeep of common areas. For example, hiring a gardener to maintain a shared area, or a cleaner to take care of the lobby area and lifts.
- Repairs, as required. For example, fixing a remote-controlled gate into the parking area of an apartment complex or broken light fittings in a stairway.
- Insurance cover for buildings and common areas, such as for structural damage from a natural event, as well as public liability insurance. (Note: this does not cover your personal belongings inside your property).
- Shared utilities, in some cases. For example, if there is only one water meter at the property rather than individual meters for each unit or apartment, this bill may be paid for through the body corporate.

A portion of the fees also contributes to a 'sinking fund', which is a pool of money the body corporate can use in the event of a large or unforeseen event such as major, urgent building repairs that require more money than allocated to the 'repairs' pool mentioned earlier. Examples of these types of repairs could be replacing security gates or fixing structural defects in any part of the common property.

What costs are not covered by my body corporate fees?

Keep in mind that body corporate fees are used for the maintenance of shared areas. This means they typically do not cover the following costs:

- Contents insurance for your belongings
- Council rates
- Maintenance, repairs and improvements to your private-use property, such as installing air conditioning or fixing a blocked toilet
- Utilities such as water, gas and electricity, unless there is a shared meter and this cost is covered by your body corporate fees.

As well as body corporate or strata insurance, owners whose investment is in a strata complex should also consider landlord insurance and require their tenants to take out tenants insurance.

Landlord insurance can protect you for financial loss, accidental damage and legal liability. It usually covers you for:

- Fixtures including light fittings, carpet, appliances, and window coverings
- Financial loss when your tenants or their guests damage or steal your property from your rental premises
- Unpaid rent (although insurance policies might be restricted on this due to the impact of the COVID-19 pandemic)
- Fire, water and storm damage

- Replacing deadlocks
- If your tenant or their guest(s) are injured or killed on the property and you, as the landlord, were found legally responsible

Landlord insurance won't cover a tenants' possessions. Tenants insurance protects against damage to their possessions from specific risks such as fire or burglary, or against accidental loss or damage. It can also provide cover for accidental damage to fixtures and fittings of the property being rented, or provide legal liability cover due to the actions of the tenant.

How much will I need to pay?

How much you will pay for body corporate fees can vary widely between properties, so it's generally a good idea to find out how much your fees are likely to be before you commit to purchasing a property. You can ask the selling agent for details of the fees the current owner has paid for the past few years, to give you a rough idea, but do remember that body corporate fees can change significantly from year to year, depending on factors such as the works likely to be undertaken. You may be able to access the minutes of previous meetings to see how the body corporate has spent its budget in the past, or if any major projects are on the horizon.

Some body corporates or strata companies may offer discounts for prompt or upfront payment of fees and levies, and some may apply interest or late fees for levies that aren't paid on time. Unused money in the annual budget may sometimes be redistributed back to individual lot owners, if the body corporate decides by unanimous vote that this money is not required to maintain or repair the property at the time.

How are body corporate fees calculated?

Body corporate fees are calculated by taking into account a number of factors, including:

- The age, size, structure and condition of the building/s. For example, fees may be higher for properties that will require regular repairs, such as older buildings;
- The types of common areas and facilities that require maintenance. For example, fees are likely to be higher for properties where there is a shared pool or gym;
- The kinds of repairs the property might require. For example, remote-controlled gates can be expensive to fix, so a property with this feature may attract higher body corporate fees;
- The size of your particular property and whether you have access to additional facilities. For example, the owner of a three-bedroom penthouse may pay higher fees than the owner of a one-bedroom apartment in the same building;
- The administration or management fees that the strata company or body corporate may charge for its services.

The likely costs of maintenance, repairs, insurance and administration, plus an amount which will be set aside for the sinking fund, are calculated to create an annual budget. The body corporate will present these costs and the proposed budget at the Annual General Meeting (AGM) that all property owners within the strata can attend. If a majority of lot owners agree with these figures, the fees payable by each individual owner will then be calculated, to be paid usually on a quarterly or annual basis.

Special fees or levies

In terms of additional fees and sinking funds, legislation varies between states, so it's best to check with the relevant Consumer Affairs or Fair Trading body in your state. In general, any fees or charges required to cover unexpected expenditure, such as emergency repairs, must be approved by a set percentage of lot owners. However, if this is approved, you will be required to pay them.

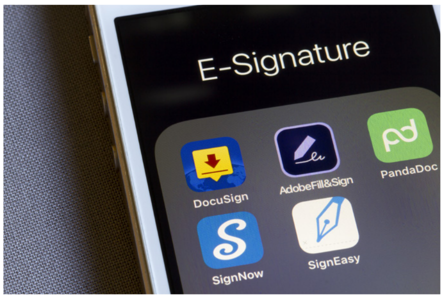
Are there any other costs?

Some body corporates may charge a penalty rate for late payment of fees, and in some cases, a lot owner in this scenario could also lose their right to vote. Owners should also be aware that there may be extra fees:

- if you request copies of registers and records from the body corporate or owners corporation;
- if you request an owners corporation certificate or body corporate information certificate, for example, when preparing to sell your property;
- if the committee wishes to hold an additional meeting, outside of the AGM.

Further information on how strata title and body corporate schemes work in Western Australia, including the fees and charges that may be payable and what these cover, can be found via the following link [Strata property | Department of Mines, Industry Regulation and Safety].

Sign of the times: how to pick the best software for e-signatures



The COVID-19 pandemic – and the drive towards paperless transactions and digital transformation – has expedited the adoption of electronic signature technology for organisations large and small.

Adopting e-signature technology can be transformational for businesses, and particularly SMEs. But many businesses are still cautious about the technology, sticking with ink and paper because they think e-signature software may expose them to fraud and other forms of cybercrime.

Why e-signature software can be safer

There is always an element of risk involved with any technology. When it comes to e-signature, the risks are not greatly different from the risks that have always existed when it comes to gathering signatures in person.

The biggest risk is forgery. As with traditional paper and ink signatures, forgery and identity theft are a real risk. The difference is, with e-signature software, provided you're using a reputable software that uses encryption; provided that you protect your password and use multifactor authentication, you could argue the risk of forgery is actually a lot lower.

E-signature safeguards

Businesses must consider several factors when using e-signature software. E-signatures can now be used for a wide range of commercial and legal documents, but frameworks vary between jurisdictions, making it imperative for businesses to check their local laws.

There are some situations where a deed cannot be signed electronically so you should always check with deeds.

Not all government forms can be signed electronically, so you should check with the relevant government agency if seeking to do so.

Likewise, companies trading internationally must be cognisant of the requirements in different countries. The European Union is a jurisdiction with an advanced framework for trust services such as e-signatures, but again, not all countries follow the same rules.

In mitigating e-signature risks, businesses should look at how a software platform they are thinking of using handles authentication, cloud security, remote identity proofing and data security, including back-ups.

4 critical factors

There are many reputable and reliable e-signature software platforms. Investing in one is a safe bet for a business, but certainly not the only option.

Copying an image of your signature or using a stylus to sign your name in the execution space is just as effective from a legal standpoint.

From a risk perspective, you will want to make sure you are sharing a signed copy of the document that cannot be edited, for example, in PDF and not Word. These practices lack some of the protections provided by the e-signing cloud platform.

The four key factors to consider when picking a software platform for e-signatures are:

1. Encryption - actually protect the document so that other people can't access it unintentionally, and if they do, they can't read it.
2. Multi-factor authentication - this ensures the document is sighted and signed by the intended person by using specific devices and/or biometric data.
3. Audit and tracking - the software should log all the interactions on the document, so there is an audit history of who logged in and who signed what.
4. Data storage - after a document has been signed, it must remain only accessible to the signatory parties, and that the parties have access to the documents for future reference.

After a document has been e-signed, can you download the signed document as a PDF and store it in your own systems? Or are you dependent on the e-signing platform to store the document? The first situation is preferable.

The location where the data is stored, and the ability of the cloud provider's staff or other third parties to access that data, is also a relevant consideration.

Picking the right e-signature platform for your business will provide you with the assurance that your documents are signed by the right people and remain uncompromised by forgery and other fraudulent activities.

Source: Article by Engel Schmidl, INTHEBLACK January 2021, CPA Australia