



ATO Lodgement Dates

Fair Work Ombudsman Campaign Targets Retail and Beauty

Retail outlets and beauty salons to be audited in new FWO campaign

Inside Small Business

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Hair and beauty salons and retail outlets are the focus of a new Fair Work Ombudsman compliance campaign that will target businesses along the east coast of Australia.

Fair Work Inspectors will conduct audits of at least 1600 businesses in randomly selected urban and regional areas of Queensland, New South Wales and Victoria. The campaign will be conducted in two phases, with audits to be conducted in waves.

Acting Fair Work Ombudsman Michael Campbell said the first phase was already underway and the campaign would take approximately 12 months to complete.

“The retail, hair and beauty sectors have been selected for audit because they employ high numbers of workers, particularly young people and workers from migrant backgrounds,” Campbell said. “In addition, previous audits into hair and beauty businesses and the retail industry have found high levels of non-compliance.”

“In 2013, the Fair Work Ombudsman released the results of a national hair and beauty campaign which identified an overall industry non-compliance rate of 55 per cent,” Campbell said. “Victoria recorded the highest rate of non-compliance with almost three quarters of salon operators audited not meeting their obligations under workplace laws,” Campbell said.

The retail industry is Australia’s second largest employer, and Campbell said a previous Fair Work Ombudsman national campaign saw \$585 000 returned to 755 workers.

“Our 2012 report revealed that more than 40 per cent of the underpayments identified through the campaign were owed by NSW employers,” Campbell said. “This new hair, beauty and retail campaign will build on our previous work to reinforce the need for all workplace participants to proactively ensure they are meeting their obligations under Australian workplace laws.”

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These dates are from the ATO website and do not take into account possible extensions.

You remain responsible for ensuring that the necessary information is with us in time.

BAS/IAS Monthly Lodgement – May
Activity Statement: 21st June, 2017
final date for lodgement and payment.

BAS/IAS Monthly Lodgement – June
Activity Statement: 21st July, 2017
final date for lodgement and payment.

BAS/IAS Monthly Lodgement – July
Activity Statement: 21st August, 2017
final date for lodgement and payment.

**4th Quarter of FY 2017: BAS
Lodgement – June Quarter 2017
(including PAYGI)** 28th July, 2017 final
date for lodgement & payment

When a due date falls on a Saturday, Sunday or Public Holiday, you can lodge or pay on the next business day.

A public holiday is a day that is a public holiday for the whole of any state or territory in Australia

Due date for super guarantee contributions, for:

4th Quarter of FY 2017, April to June 2017 - contributions must be **in the fund** by 28th July, 2017.

The super guarantee charge is not a tax deduction if not paid by these dates.

Super Guarantee Contributions must be paid (**to fund**) by 30th June to qualify for a tax deduction in the 2016–17 financial year.

Refer to the ATO for details regarding any SGC charges applicable if not paid by due date.



Working Holiday Makers Setup in Software

Tax Rules Change for Working Holiday Makers

Visa (subclass 417)

During the Federal Budget earlier this year, the government proposed changes to tax rules for working holiday makers. The changes have been revised and are now law, and will be coming into effect on 1 January 2017.

There is no longer an option for working holiday makers to claim the tax free threshold. If employer is registered they will be taxed at 15% up to \$37,000, and then taxed at ordinary marginal rates after that threshold.

Employers of working holiday makers will be required to undertake a simple, once-off registration with the Australian Taxation Office to be able to withhold tax at this new rate.

Employer registration has been extended to 31 January. If you are employing working holiday makers, you will not be penalised as long as you register by 31 January 2017. You can still use the new withholding tax rate of 15% from 1 January 2017.

Employers who **do not register** will be required to withhold tax at the 32.5% rate or higher, as per the foreign resident tax rates.

[ATO Working Holiday Maker Employer Registration Form](#)

The worker must apply for this temporary visa before entering the country for the first time. Although the visa is valid for up to one year, the worker can generally only be employed with one employer for a maximum of six months.

ATO Notification

Many registered agents and employers, who have previously employed foreign workers, have already been notified by the ATO of the coming changes and been advised to register for the new tax.

Tax for Working Holiday Makers

Weekly Earnings	Weekly Rate
\$0 – \$711	15% up to \$37,000 p.a. if employer registered for working holiday maker tax
\$712 – \$1,673	32.5% (\$37,001 to \$87,000)
\$1,673 – \$3,461	37% (\$87,001 to \$180,000)
\$3,461 and over	45% over \$180,000

Note the above rates do not include Medicare levy of 2% or the Temporary Budget Repair Levy of 2% for incomes over \$180,000.

Payment Summaries for Working Holiday Makers

For working holiday makers who work both before **and** after 1 January 2017, **two payment summaries** will be required, with the two different tax rates applying to the gross payments, depending upon the time of payment.

There have been ATO changes made to the Payment Summary Annual Report and EMPDUPE file, for those businesses that employ working holiday makers with visa 417 and 462 or if Section 57A of the Fringe Benefits Tax Assessment Act 1986 applies.

If either of these situations apply, you must use the latest version 12.0.0 when preparing payment summaries. Otherwise you can use version 11.0.1 EMPDUPE file; see below table for which software versions are compatible with versions 11 and 12.

Options for Payment Summary Reporting

1. Use two separate card files for the one employee. Terminate them at 31/12/16 without any final pay. Create a new card file from 1 January 2017, making sure to carry over any entitlements from the “terminated” employee card. This process will produce two payment summaries for each employee.
2. Use the one card file for each employee, but split the wages paid into amounts relevant to pre 31 December 2016, and post 1 January 2017. If your software allows it, manually adjust the payment summary amounts to produce two payment summaries.
3. Use GovReports to manually enter amounts for employees; two entries per employee will be required.

Note: Employers who did not register for the reduced tax rate and continued to withhold at the foreign resident rate of 32.5% are required to issue the usual one payment summary per employee.

Software Solutions for WHM Employee Setup

MYOB have updated their software. You must load the new tax tables, then assign the new tax rate to the relevant employees. This is listed as “Working Holiday Maker” or “No Tax File Number Working Holiday Maker”. For businesses that employed working holiday makers before 1 January, and who are registered for the new tax rate, these employees will need to be terminated at 31 December with no final pay. Create a new employee card with the correct residency status flagged, and start them on 1 January. Make sure to carry over any entitlements. This will ensure two payment summaries are produced. For more information about handling working holiday maker payments, see the [Working Holiday Makers support note](#).

Xero have updated their software. When setting up a new employee, in the tax details tab there is the option to flag the residency status as Working Holiday Maker. For workers who were engaged prior to 1 January, and who are registered for the new tax rate, these employees will need to be terminated at 31 December with no final pay. Create a new employee file with the correct residency status flagged, and start them on 1 January. Make sure to carry over any entitlements. **Note:** the TFN declaration for WHM cannot at this stage be filed with the ATO from within Xero. This must be done either by paper form or via GovReports. See the Xero guide to [Working Holiday Makers](#).

Reckon have issued instructions on how to treat this tax. See their information on [Backpacker tax rate in RAB](#).

QBO (KeyPay) have issued changes to their Tax Calculation Options. There is now an option to tick a box ‘is approved working holiday maker’. **Note:** make sure the box ‘Australian resident for tax purpose’ remains unticked. See [Working holiday maker PAYG changes](#) from 1st January 2017.

Other software programs

If your software does not yet offer a specific tax rate for WHM, use the manual tax adjustment or withholding variation option to tax correctly, according to the earnings of the worker, and whether the employer has registered or not.

Departing Australia Superannuation Payment for Working Holiday Makers

From 1 July 2017, the rate of tax on the Departing Australia Superannuation Payment (DASP) for working holiday makers will be increased to a flat rate of 65%. This will apply to all components of the payment.