

THE INSTITUTE
OF CERTIFIED
BOOKKEEPERS



15 August 2019

Submission
Senate Standing Committee on Economics
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TREASURY LAWS AMENDMENT (2019 TAX INTEGRITY AND OTHER MEASURES NO. 1)
BILL 2019

The Institute of Certified Bookkeepers (ICB) is a Professional Association of Professional Bookkeepers (4200+ members) working within or as service providers to Business in Australia.

We as an Association and our members have a significant role to play in assisting Business to comply and work within their numerous obligations in particular in relation to this proposed legislation the application of the Super Guarantee regime, the payment of ATO debt and also our community has a major role to play in the processing of invoices both as the seller (invoice creator) and the purchaser (invoice receiver).

Schedule 5 – Disclosure of business tax debts

In general we support the measure, specifically acknowledging that the ATO must have carried out existing processes to establish contact and endeavour to obtain payment prior to the “disclosure”.

a. The proposal discusses that disclosure could occur 90 days after due date and then not before 21 days after the taxpayer has been notified of the pending disclosure and the IGTO review.

We would seek that the Commissioner would not make disclosure if the taxpayer then enters an agreed payment arrangement or settles the debt amount.

b. The EM discusses administrative arrangements that “It is expected”

- ensure the taxpayers have access to an inexpensive and simple review process

(5.20EM)

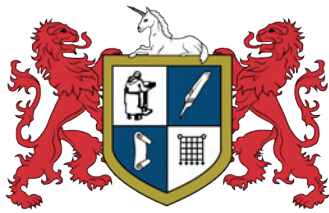
- instruct credit reporting bureaus to remove the tax debt information of the taxpayer

(5.31EM)

- numerous other

We acknowledge the referral of many administrative provisions to the Legislative Instrument framework (which we support), however we submit that for full support of this measure that





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many of these “expectations” must be enshrined in the administrative process surrounding this implementation.

Schedule 6 – Electronic Invoicing

We support the Australian Government overt support of this initiative and the development of the framework and infrastructure required to bring an Australian wide, globally compatible eInvoicing system into operation.

We would seek an inclusion of a concept at Section 3G (4)(d) or similar to explicitly require “liaising with the Australian Business and Software communities to develop an acceptable common approach to the electronic invoices between software platforms and ensuring business to business requirements are achieved”

The eInvoicing initiative in Australia has been developed by the Digital Business Council, a collaborative forum of Government, Professionals, Software and Business with support and leadership of the Commissioner. This collaborative environment is required during the next implementation phase.

Schedule 7 – Salary Sacrifice Integrity

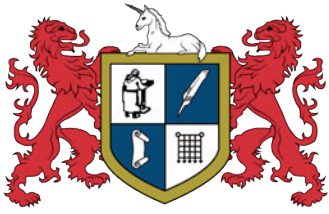
While in principle we support intention of the measure we make the following observation: This proposal will simply change the how a salary negotiation conversation will occur between employer and employee.

Currently an employer enters an employment relationship with the employee on the basis of the total package. ie Wage plus super. The employee and the employer may then agree to salary sacrifice etc components of the package (legally) including allocating an amount to super. The amount they allocate to Super would be all components which means the SG and possibly additional Sacrifice super. As long as the employer does not reduce the total super below the compulsory super amount required by SG and any applicable industrial agreement etc then the arrangement appears legally valid.

This measure will only cause an employer to construct the package conversation in a different manner:

- currently a discussion which allocated an amount to super (which was at least the SG)
- proposed discussion will allocate SG and then any additional amount to super same total to super just a change in the conversation.

We would seek for the Committee to instigate a review of the SG Charge provisions which require onerous completion of calculations and information to apply the SG Charge obligations, fees and penalties. The SG Charge provisions now are a significant disincentive for an employer to seek to remedy any past issues.



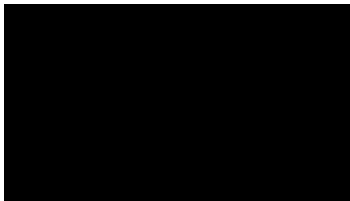
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The review should include

- 1/ SG & SGC to both be calculated on Salary and Wages (removing the OTE calculation for SG)
- 2/ A revised and streamlined late payment of Super system which allows payments to the employees nominated fund requiring interest but not requiring the current SGC administration through the ATO systems
- 3/ review of the SG Charge administration, fees and system

Please contact the author to discuss any aspect of this submission

Yours faithfully



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