

Q2 2018

## Harassment in light of #MeToo

*Sexual harassment in the workplace is not a new topic for employers. But in light of the #MeToo movement, it is one worth revisiting.*

According to the Australian Bureau of Statistics, in 2016, 17 per cent of women said they had been sexually harassed in the past year, and approximately one in two women and one in four men had experienced sexual harassment during their lifetime.

Employers have a duty of care to prevent and respond to cases of sexual harassment in the workplace. Working in an environment free from sexual harassment is a human right.

The effects of sexual harassment extend far beyond the affected individual alone; your business' reputation is at risk, and legal action can be costly. On an organisational level, productivity can be affected as well as reduced morale, absenteeism and higher turnover.

To minimise the chances of sexual harassment occurring in your workplace, you must first instil a zero tolerance policy and foster a harassment-free culture. Consider the following:

### Create a sexual harassment policy

Creating a sexual harassment policy is first and foremost. The policy should outline a code of conduct, provide examples of unacceptable behaviour, the consequences of breaching the policy and explain the processes in place to deal with reports of sexual harassment. Understanding what the

Sexual Discrimination Act 1984 classifies as sexual harassment will help businesses to tailor their code of conduct appropriately.

The Sex Discrimination Act recognises sexual harassment as:

- Inappropriate staring or leering
- Unnecessary familiarity, including deliberately brushing up against someone or touching
- Suggestive comments, jokes, insults or taunts of a sexual nature
- Requests for sex or sexual acts
- Intrusive questioning, in person or through technology

### Treat complaints seriously

The way complaints are treated in your business says a lot about its attitude towards sexual harassment. Ignoring or dismissing complaints creates a culture of tolerance. An internal complaint procedure should be set in place, identifying the steps that will be taken and how information will be documented. Complaints must be kept confidential and addressed in a fair, sensitive and timely manner.

### Provide training

Employees must understand what is considered sexual harassment and feel supported to report cases of sexual harassment without fear of consequences. Facilitating training either bi-annually or annually and through induction reinforces the business' commitment to taking sexual harassment seriously. Be sure to provide your staff with copies of your policy and display the policy on office notice boards, the intranet and other key staff meeting points.



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## Employers urged to act now for Single Touch Payroll

*The Australian Tax Office (ATO) is urging employers with 20 or more employees to prepare for the introduction of Single Touch Payroll.*

Single Touch Payroll will be introduced from 1 July 2018, requiring employers to report their employees tax and super information to the ATO through Single



Touch Payroll approved software.

Employers will report each time they pay their employees, i.e., weekly, fortnightly or monthly. The information that will be reported includes withholding amounts, superannuation liability information or ordinary times earnings (OTE) and salary, wages, allowances and deductions.

Single Touch Payroll will provide greater transparency and connect businesses to the ATO through their existing software.

Employers must prepare by organising the following:

- A headcount of employees on 1 April 2018 to determine if there is 20 or more. If your numbers drop down to 19 or less, you will still continue to report through Single Touch Payroll unless you apply for and are granted an exemption.
- Talk to your software provider about how and when your product will be ready.

- Those without a software provider will need to find a provider that offers Single Touch Payroll.
- Update your payroll software when it's ready.
- Start using Single Touch Payroll.

Employers with 19 or less employees have until 1 July 2019 to prepare, however, they can start reporting as soon as their software is updated.

### Year-end mistakes

*Businesses must be aware of their responsibilities at the end of the financial year.*

Careless mistakes in tax returns or simply being unorganised can see business owners lose out on significant tax savings, as well as finding themselves liable for penalties.

Avoid the following mistakes:

#### Paying superannuation

Super is payable 28 days after the end of the quarter. It is important to remember that to claim a deduction for the super contribution the employer must have made the contribution before June 30. Not paying super by the due date will also lead to a penalty imposed by the ATO.

#### Lodging group certificates

A common mistake made by business owners is issuing group certificates late and incorrectly reporting the figures. Employers are required to issue their payment summaries to their employees by 14 July and to the ATO by 14 August.

#### ATO benchmarking

Small business benchmarks are financial ratios that have been developed by the ATO to help compare the performance of similar businesses in an industry. Businesses should take a look at their financials and review their management accounts before 30 June. They should be focusing on any unusual large amounts that have been reported as this could be an indicator of an accounting error or a more serious problem.

## ACCC announces 2018 priorities

*The Australian Competition and Consumer Commission (ACCC) has announced its compliance and enforcement priorities for 2018.*

Among the many concerns, the ACCC will hone in on consumer issues in car retailing, broadband services, agriculture and energy as well competition in the financial services and commercial construction sector. Also in focus is systemic issues with consumer guarantee rights and competition and consumer issues with digital platforms, algorithms and consumer data.

Addressing energy affordability will be a top priority, with recommendations for reform to be provided in a final report at the end of June 2018.

Consumer issues in broadband services have been of highlight in the past two years, in particular, misleading speed claims and statements made during the transition to NBN. The ACCC's Measuring Broadband Australia program will be introduced shortly to help Australians choose a service provider.

To tackle issues in the financial services sector, the ACCC has established a

Financial Services Unit to identify and investigate competition issues in the sector after 1 July 2018. An interim report on residential mortgage pricing is due for release shortly. A key focus is on transparency and how the major banks balance consumer and shareholder interests in making their interest rate decisions.

Digital platforms are also in the spotlight with the ACCC's inquiry into the influence of such platforms and their implications. The ACCC will address how much consumers know about the amount and use of data that is collected and sold by the digital platforms in the form of advertising.

Competition and consumer law issues in the agriculture sector are in focus, with attention on the dairy inquiry, enforcement of the Horticulture Code of Conduct and analysis of the viticulture industry.

The ACCC will continue to regard the following areas as high priority: cartel conduct, anti-competitive conduct, product safety, vulnerable and disadvantaged consumers, and conduct impacting Indigenous Australians.

## Handing the family business over to your kids

*Keeping the business in the family when you decide it's time to retire is a common decision for many business owners. However, ensuring the change of hand is carried out effectively is seldom done right.*

If you plan on handing your business over to your child/children or any other family member, there are specific precautions you should take to ensure that the process you use is not only compliant with Australian business and taxation laws, but so that the business model is protected in a way that you so wish.

Consider the following:

### Meetings

When changing ownership of any business, to family or someone else, having meetings to discuss various aspects of the changeover helps create a seamless process. Meetings should be periodic and should not be over complicated by discussing too many

aspects of the changeover at once. You should plan out what will be discussed at each meeting when you decide you are going to change over ownership.

### Transition

When changing ownership of a business, it is always wise to consider doing so in a transitional manner. By using a transitional approach, it allows you to teach your children the ways of the business and the correct process of doing various tasks, in order to keep the business running the same as it always has. This makes the change easier for customers and clients. After the transition has taken place, they can choose to make changes to the business model that they think will improve the business, but they will be doing so with an appreciation and understanding of why things have been done the way they have in the past.

### Know the boundaries

One of the biggest obstacles to handing

your business over, particularly to your children is mentally preparing for what this change will mean. A common mistake many business owners make when handing the business over is thinking they are still in charge; this is not the case.

By overstepping the boundaries and trying to be over-involved after you no longer own the business, you can cause conflict between yourself and your child, which will inevitably impact negatively on the business. You need to respect your child as a business owner and let them run the business on their own. Of course, you can be there as a soundboard and offer advice should they need it, but anything more can become overbearing. To avoid doing this, you need to prepare yourself for what no longer owning the business will mean; how are you going to fill your time that used to be spent working, goals for retirement and so forth.

## How to make better business decisions

*Business owners are faced with making decisions every day. And although the degree of severity differs, some decisions can make or break a business.*

Fine-tuning your decision-making skills will help to make more informed decisions. Consider the following tips:

### Stick to facts

Weighing up the benefits/outcomes versus the risks/costs is a crucial step in making a sound decision. Relying on your own intuition or judgment alone is not enough. Stick to the facts and use logic to view the problem objectively.

Consider any past situations or similar situations other companies have dealt with and how they were handled. Use reliable data such as reports, industry trends and expert recommendations as a source of information but also be aware of their limitations.

Using multiple sources is ideal so you can get a broad picture of the problem and the different solutions available.

### Eliminate bias and emotions

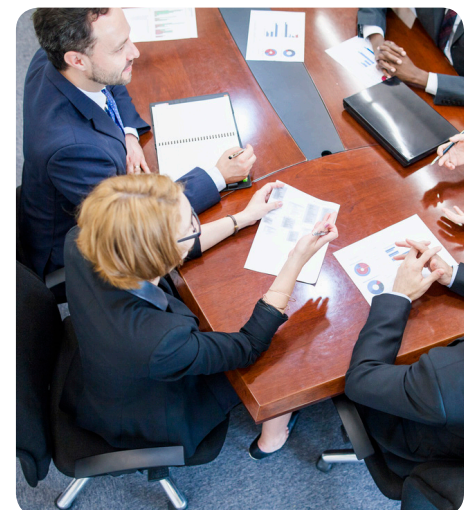
When you are personally invested in a decision it can skew your judgment, you may lose sight of your goals and become attached to a particular outcome. Beware of falling into the trap of seeking information which only supports your beliefs, also known as 'confirmation bias'. This type of bias ignores information and evidence that doesn't support your beliefs, therefore, providing you with an inaccurate perspective of your problem.

Instead of relying on your opinion solely, it is best to ask an expert in your field for advice. Obtaining another opinion helps you to look at your problem from a different perspective, and it can also provide you with the reassurance that you are making the right decision.

### Be prepared for the worst-case scenario

People tend to overestimate the upside and underestimate the downside of an outcome resulting from a decision. If you are not prepared for the worst-case scenario, you may find it difficult to

handle if it does occur. Although there will always be a risk of negative results associated with a decision, turning a blind eye to the likelihood of these events occurring is ignorant. Think about the likelihood of the worst-case scenario occurring - how serious are the risks vs the risks of not acting? Come up with a plan of how you would deal with this situation and how you could mitigate the risks.



## Defining business values

*Business values, much like personal values, influence behaviour and provide a set of rules or guidelines to follow. However, in a business context, values are often set and ignored.*

To avoid this, business leaders need to create values that can lead to action and align with the business' overall mission. Consider the following when defining your business' values:

### Assess business strengths

Look at the ways in which your business thrives - do you have ambitious staff or loyal customers that drive your success? Understanding your business' strengths allows you to identify the underlying values which drive current behaviour and action. Once you have a better understanding, you will be able to identify key values that your employees, customers, suppliers and community encompass and use these

values as a basis for your business.

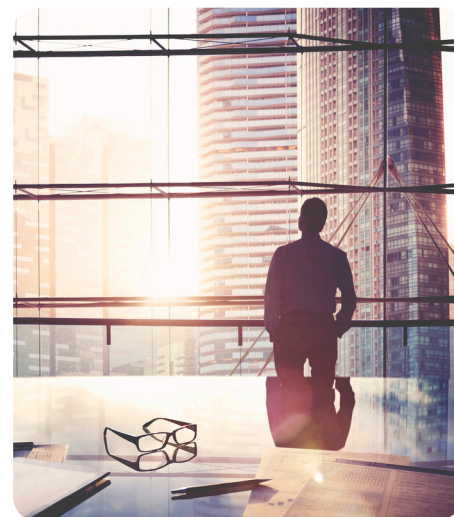
### Formulate rules based on values

Once you have identified your key values, you can create rules based on these values, so staff and the public know what to expect from your business. For example, your rule might be to "continually search for answers." This would align with a value of innovation, placing a high emphasis on building on new ideas and solutions. Rules also help to foster the right culture in your workplace, making it more enjoyable for staff and management alike.

### Tie values to your overall purpose

Values should be used to complement your business' overall mission or purpose. For example, if your mission is to provide education to rural teenagers in disadvantaged areas, adopting a rule such as "continually search for answers" would be appropriate as it encourages everyone

involved in the business to look for new ways to meet challenging demands and so on. Therefore, identifying values helps to align strategies, plan and create goals that serve your business' overall purpose.



## Social responsibility for small business

*Although small businesses do not have corporate social responsibility (CSR) programs in place as large companies do, they do have just as much opportunity to contribute to sustainable business.*

Businesses that adopt socially responsible business practices benefit by saving money on costs, attracting better quality candidates, improving their image in the community, increasing sales from customers with similar values, and most importantly, contributing to good causes and a more sustainable environment.

Building a socially responsible business helps to set your business apart from competitors, improves your reputation and, ultimately, ensures your business is acting in an ethical and moral manner.

Here are three tips for improving your business' social responsibility:

### Start small

You don't have to be a multi-million dollar company to give back. All businesses, regardless of their size, can support a local community or environmental initiative, whether that be sponsoring a local school sporting team, volunteering or contributing to local arts and culture, etc. Socially responsible businesses start by considering their neighbourhoods,

communities, supply chains and the environment in their business mission and overall business conduct.

### Environment

Environmentally harmful products and production and manufacturing methods not only damage the environment but they also harm your reputation. Adopt eco-friendly practices such as reducing your business' energy consumption, i.e., switching to enviro-friendly fixtures and appliances, switching off equipment at the end of the working day and so forth. Look to sourcing ethical and sustainable materials and products and implementing strict recycling and reusing programs in the workplace to reduce your business' carbon footprint.

### Community

Help solve community issues - whether it's a local or global cause. Align your business' values to a cause or variety of causes and create a program. For example, you may hold an annual fundraiser for a women's shelter, create a volunteering program with a nursing home or partner with a global organisation. Look for creative ways of solving community issues and team up with other community groups and local businesses for more impact. If you get stuck for ideas, utilise your community to garner suggestions.

## Important tax dates

### 21 APRIL

Lodge and pay March 2018 monthly activity statement.

### 28 APRIL

Make Q3, 2017-18 SG contributions to funds by this date.

Lodge and pay Q3, 2017-18 activity statement if lodging by paper.

### 30 APRIL

Lodge TFN report for closely held trusts if any beneficiary quoted their TFN to a trustee in Q3, 2017-18.

### 21 MAY

Lodge and pay April 2018 monthly activity statement.