

The HandL Helpline

NEWSLETTER DATE: 6 JULY 2003

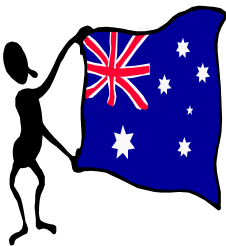
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We recently had a number of new clients join our organisation.

A great big welcome to you all—you have taken us to a record 57 clients thus far.

We continue to grow with your support — thank you sincerely.

IAN CHARLTON

CLEANING TRAINER

Ian Charlton, a long term employee in the Contract Cleaning Industry in Sydney, has set up a business to train Cleaning Staff to reach Certificate II and Certificate III. He is working with two Registered Training Organisations (RTO's) and is keen to assist you to both train your employees and ensure you take advantage of the subsidies available and reductions in Workers' Compensation premiums and Payroll Tax imposts.

This man has worked both for the Government and for Contractors and knows and understands our industry. He is currently teaching the Asset Maintenance Certificate II and III at Sydney Institute of TAFE.

He is qualified to carry out the training, to assess capabilities and to recommend payment of subsidies. You have everything to gain and nothing to lose by taking advantage of this service. Ring Ian on (02)97744120, tell him you are a HandL client and he will get things underway for you.

Go on do it now!

WORKERS' COMPENSATION CHANGES

From 1 July 2003 the Premium rate for Workers' Compensation has been increased from 10.54% to 10.59%. The sting in the tail is that the Government has decided to include Superannuation as part of the wages figure for the purpose of the calculation.

In fact your actual premium payments will increase by just under 1% despite the spin doctors claims set out below.

There is also a flow on to Payroll Tax which has been conveniently forgotten as Workers Compensation premiums are included in Payroll Tax calculations.

Insurance Premiums Order

The workers compensation Insurance Premiums Order (IPO) is issued through the NSW Government Gazette in June of each year. The IPO contains important information on the WorkCover Industry Classification System, premium rates, dust diseases rates and information on the manner in which an employer's claims experience will be incorporated into their premium. The IPO details the formulae that licensed insurers must apply during the insurance policy year to calculate an employer's premium.

In December 2002, the NSW Government passed legislation aimed at improving employer compliance with workers compensation law. The law now requires employers to calculate their wages for workers compensation premiums in much the same way they do for pay-roll tax.

The expanded definition of wages is intended to be revenue neutral; it is not a mechanism to increase the WorkCover Scheme's premium income. As the amended [wages definition](#) will increase the amount of wages counted for workers compensation purposes, the average premium rate of 2.87 per cent has been reduced by 10.3 per cent. As a result, WorkCover's average premium rate for 2003-2004 is 2.57 per cent (net of GST). In addition, the factor ('F' factors) in the experience component of the premium formula have been adjusted to help ensure that, on average, the premiums collected remain constant.

GST SYSTEMS

Hypothetical Question

We have discovered a recurring error in calculating GST payable to the ATO due to an accounting system problem. This has resulted in overpaying GST to the ATO. What time frame do we have to correct this error and how many months back can we claim for the overpayment of GST?

Answer

If you discover you made other mistakes on an earlier BAS, which meant you paid too much GST, you may be able to make a correction on a later BAS. Subject to the correction limits outlined in the table below, you can make these corrections on your current BAS or on a later one.

These corrections may be needed where you:

- made clerical mistakes, for example, double - counted your taxable supplies;
- incorrectly recorded a GST-free supply as taxable on an earlier BAS; or
- mistakenly classified GST-free supplies as taxable, that is, you incorrectly included GST in the price charged to a customer. In this case you must have reimbursed the over-charged amount to all customers - including customers that are not registered for GST - before you make the correction.

You can make corrections to increase or decrease your GST payable, or decrease your input tax credits on your immediately next BAS, only if their net effect (that is the total GST effect of all the errors) is within the correction limits outlined in the following table. The correction limits correspond to the size of your business.

• Annual turnover - Correction limits

Less than \$20m	- Less than \$5,000
\$20m to less than \$100m	- Less than \$10,000
\$100m to less than \$500m	- Less than \$25,000
\$500m to less than \$1b	- Less than \$50,000
\$1b and over	- Less than \$300,000

Note that the correction limits are the net effect of the total of all errors occurring in earlier BAS'. They are the maximum amount of corrections you can make on a later BAS. It is not 'per BAS' or 'per mistake' limit.

For example, a small business with an annual turnover of \$1 million incorrectly included five taxable supplies on its previous two quarterly BAS'. The GST-inclusive amount of these supplies was \$11,220 each (totalling \$56,100), with GST of \$1,020 payable on each (totalling \$5,100). The total amount overpaid on the earlier BAS' and needing correction is \$5,100, which exceeds the limit of \$5,000, even though the amount of each mistake was below the limit.

In working out whether your corrections are within these limits, you can offset total overpayments against total underpayments. For example, assume the small business above also incorrectly included input tax credits of \$1,500 for an acquisition on its earlier BAS (the GST-inclusive amount of the acquisition was \$16,500). The net effect of all the corrections above would be a reduction in GST of \$3,600 (that is, \$5,100 - \$1,500), which is less than the limit. This business could correct these mistakes on its current BAS. Where the net effect of mistakes from your earlier BAS' exceeds the appropriate limit, you must revise each of your original BAS' in which the mistake occurred .

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OUR

MISSION STATEMENT

Our aim is to provide a range of services specifically designed to meet the needs and aspirations of the small to medium sized companies operating in the Property Services Industry. We know and understand just how difficult it is to operate in such a competitive market and we look forward to supplying services which will assist you in achieving your aims and in doing that part of your job which you do best.

John Cavers is available to assist with any Industrial problem from Unfair Dismissal to award interpretation and you can get him at the office or on 0417 251200. John Laws can help with Tenders, Costing, Documentation, QA, OHS & IM, Cleaning Software etc. Get him on 0418225180 to come and help.

Technical Bulletins

Commencing next month, we intend printing a bulletin each month, authored by our sponsors, JohnsonDiversey, describing the best methods of undertaking various cleaning duties.

This will include sections on vinyl flooring, terrazzo flooring, marble flooring, timber floors in gymnasiums, carpet shampooing etc etc.

Any suggestions as to other specialised services needing bulletins will be taken on board and followed up.

If you have any other suggestions, criticisms or compliments please contact John Laws on 02 97121566 so that he can act on them.

Rest assured both John Cavers and Kay Halliday give it to him each month before the Newsletter goes out.

For Sale

If you have something for sale or want to buy some good quality second hand equipment, this is the place.

After all it will cost you nothing.

Hako Jonas Ride On Sweeper.

Gazda Gas Buffer

Hako 32B Scrubber.

All in good condition. Call John on 97121500 for prices etc.

WEBSITES

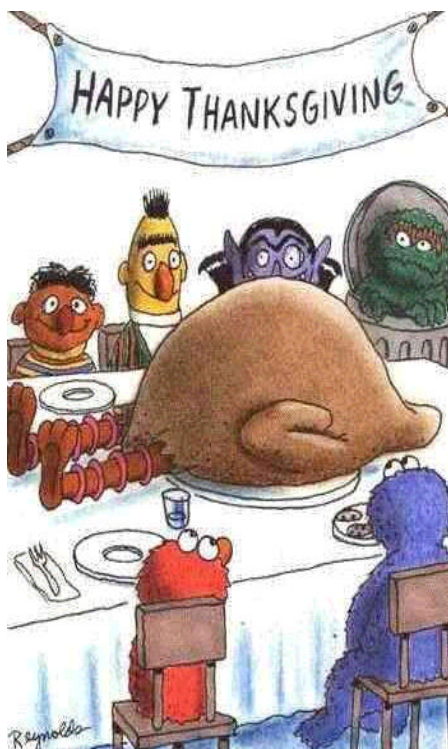
As you know by now there are a number of websites which can be of use. How many of you have thought to obtain your MSDS Sheets over the Web? Very simple and immediate. Try these:

www.johnsondiversey.com.au/msds www.agar.com.au www.cleantec.com.au www.research-products.com.au www.truebluechemicals.com.au www.whiteley.com.au

HELPFUL WEBSITES

www.tenders.nsw.gov.au

www.market.fairfax.com.au/tenders/smh.html



Positions Vacant

Cleaning Supervisors

We recently advertised for Site Supervisors and Area Managers.

The response, this time, has been huge. If in need give us a call as we have a number of capable people available.

Trained Cleaners

We also recently advertised a short training course for potential cleaners and the response has been overwhelming. Once trained these people will be available to you. Let us know your needs—97121566

We are on the web:
www.cleaningcontractors.com.au

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Irish Friends

There once were two Irishmen, named Shawn and Pat, who were the best of friends. During one particular night of revelry, the two agreed that when one passed on, the other would take and spill the contents of a bottle of fine, Irish whiskey over the grave of the fondly missed and recently dead friend.

And as fate would have it, Shawn would be the first to pass.

Pat, hearing of his friend's illness, came to visit his dear friend one last time.

"Shawn," said Pat, "can you hear me?"

Faintly, Shawn replied, "Yes, Paddy, I can."

Bashfully, Pat started, "Do you remember our pact, Shawn?"

"Yes, I do Paddy," Shawn strained.

"And, you'll also remember that I was to pour the contents of a fine, old bottle of whiskey over your grave, which we have been saving for going on 30 years now?" said Pat.

"Yes Paddy, I do," whispered Shawn.

"It's a very 'old' bottle now, you know," urged Pat.

"And what are you gettin' at Pat?" asked Shawn, briskly.

"Well Shawn, when I pour the whiskey over your grave, would ya mind if I filter it through my kidneys first?"

WORKERS' COMPENSATION MATTERS

Ex-director guilty of workers comp fraud

10 June 2003

The former director of a Dapto bricklaying firm has been convicted on five counts of workers compensation fraud by the NSW Chief Industrial Magistrate's Court sitting at Wollongong.

A WorkCover audit showed that Daryl Wesley Waller, 39, had used false business cards and invoices to reduce his workers compensation premiums by \$3,781.

Waller falsified the number of sub-contractors and paid workers employed by his company, Coastline Bricklaying Pty Ltd.

Waller exaggerated the number of sub-contractors he engaged - who were responsible for their own workers compensation policies - and reduced the number of paid workers he employed.

He was fined \$1,500 on one charge and ordered to enter good behaviour bonds totalling two years on the other four charges brought under Section 178BB of the NSW Crimes Act, 1900.

Waller will also be required to pay WorkCover double the amount of avoided premium, totalling \$7,562.

A package of initiatives designed to improve compliance with the State's workers compensation laws by both employers and claimants was introduced by NSW Industrial Relations Minister, John Della Bosca, on 24 February 2003.

The measures included doubling WorkCover's existing fraud unit; setting up a dedicated fraud prosecution unit within WorkCover's Legal branch; improving cooperation between government agencies and assistance to insurers to develop more sophisticated fraud detection teams.

HandL Clients win Large Contracts

Good News for a change.

The HandL Cleaning Software package has been proven in competition.

Recently, two of our clients, utilizing our software, have been successful in their tenders for three separate contracts.

Each of these contracts was publicly offered and we emailed the information to all our clients (FREE) as is our normal practice.

So, a number of points are to be made:

1. The software, once set up and properly utilized will assist all companies in tendering for jobs;
2. The smaller companies are equally able to tender for larger jobs on an equal footing with the big guys;
3. Our advice to client companies is assisting with our aim of ensuring our clients gain continual growth.

We always felt that our software would help make smaller companies more competitive. Now we know—the evidence is in.

Combine our expertise in costing and staffing jobs with our abilities to present your tenders in the most professional manner and you are on to a winner.

If this sounds like we are showing off, well we are. We are quite confident of helping you grow and improve your profitability. Why pay for some expensive people full time when we



HandL Cleaning Industry Software

We can help with your tendering and presentation problems. Budgets, Forms etc. we've got them. Time Sheets, no problems, all automated. Forms are very handy for all of you.

Call us and come in for a free demo and cuppa—no obligation.

HandL GAINS CLARIFICATION ON UNION COVERAGE

HandL recently assisted a client with an Unfair Dismissal Case.

At the time of attending the Industrial Commission hearing we were surprised to find that the Union (LHMWU) was attempting to have the matter heard under the auspices of the Registered Clubs Award rather than the Cleaning & Building Services Contractors' Award.

We objected but were overruled.

The matter was taken up with Ms Sonia Minutillo at the Union and we were told that it would be looked into but not to expect any answer quickly.

We then contacted a number of the Executives at BSCAA to let them know the situation so they could also make representations as allowing this situation to proceed would involve the breakup of the cleaning industry into a number of sections controlled by different awards.

For whatever reason, the BSCAA did absolutely nothing (possibly as part of their plan to see HandL fail).

Well, we didn't give up and Ms Minutillo contacted us on 17 June 2003 to advise the matter had been cleared with the Liquor Division of the Union and that reference to a decision way back in 1964 was the precedent.

With no thanks to others we have, the representatives of the smaller section of the Industry, been able to ensure the Industry continues along a secure and level playing field.

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SUPERANNUATION LEGISLATION AMENDMENTS

Below is a summary of the changes to the regulations:

SUPERANNUATION GUARANTEE QUARTERLY CONTRIBUTIONS

As from 1 July 2003 employers will be required to make superannuation guarantee (SG) contributions on at least a quarterly basis for their eligible employees. The 2002-03 financial year will be the last year employers can make annual contributions.

If employers fail to make quarterly SG contributions they will incur the Superannuation Guarantee Charge (SGC). There will be a transitional period where employers will face a reduced penalty for SG shortfalls arising in the first two quarters of 2003-04 only.

The due dates for quarterly SG contributions are:

Superannuation Guarantee Quarter Due date

1 July–30 September 2003 28 October 2003

1 October – 31 December 2003 28 January 2004

1 January–31 March 2004 28 April 2004

1 April – 30 June 2004 28 July 2004

Superannuation Industry (Supervision) Regulations 1994

The removal of member protection against account fees for lost members. This means that in future, the member protection standards will only apply to 'protected members' (that is, those with account balances of less than \$1,000) but not lost members.

There is now a specified due date for the submission of audit reports by self-managed superannuation funds (SMSF's). The new due date is the same day as the due date for annual returns from SMSF's.

Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 1991

A due date for the \$45 supervisory levy paid by self managed superannuation funds is now specified. This new due date is the same as the due date for lodgment of the annual return of a self managed superannuation fund.

Superannuation (Unclaimed Money and Lost Members) Regulations 1999

The 'eligibility age' for women in relation to unclaimed money in lost accounts has increased from 60 to 65 years of age.

Retirement Savings Accounts Regulations 1997

As with the amendment to the Superannuation Industry (Supervision) Regulations 1994 concerning the removal of lost member protection against account fees, corresponding changes have also been made to the Retirement Savings Accounts Regulations 1997. This amendment removes the reference to a Retirement Savings Account (RSA) provider's obligation to protect a lost RSA holder's account balance.

Superannuation vouchers

Employers are obligated to provide a minimum amount of superannuation support into a complying superannuation fund or retirement savings account (RSA) for their employees. Employers who do not provide a minimum level of superannuation support for their employees by 28 July, following the end of the relevant financial year will have to pay the Superannuation Guarantee Charge (SGC) to the Tax Office.

When the Tax Office receives SGC, it is redistributed in the form of a voucher. This voucher is also sent to the employee when the Tax Office recovers unpaid employer superannuation contributions for the employee. The employee must deposit the voucher into their nominated superannuation fund or RSA. The fund or RSA may claim the payment from the Tax Office.

Lost Members Register

The Lost Members Register (LMR) is a central register of lost superannuation fund members and RSA holders. When a member of a regulated superannuation fund (other than a self managed superannuation fund), retirement savings account (RSA) provider, approved deposit fund or eligible rollover fund, becomes lost, the fund must provide details to the Tax Office about the member. These details are stored on LMR.

A member of a superannuation fund, approved deposit fund, RSA provider or eligible roll over fund may be considered lost if: their superannuation fund or RSA has been unable to contact them - the superannuation fund or RSA may not have been advised of the member's address or mail sent to their last known address may have been returned unclaimed their employer made contributions for them to a superannuation fund or RSA and in the last two years the superannuation fund has not received any contributions or rollover amounts, or their account was transferred from another superannuation fund or RSA as a lost member.

And Remember:

You must either show the name and amount of Superannuation contributions on pay slips or write to your employees letting them know to whom and how much is being paid!