



FINAL NEWSLETTER OF THE YEAR

Morning all, welcome to the final newsletter of the 2022 calendar year!! I was reflecting with my staff at our Christmas breakfast that 2022 has been a LOT better for us than 2021 and 2020 combined! Apart from a few interruptions with annoying JobSaver audits and the rollout of the Director Identification Number (DIN) project, we have been largely left alone to catch up on our core work, looking after you all!

I feel the 2023 will be more challenging. The increasing costs of fuel, electricity, the rise in interest rates and the pressure of wage increases has put a lot of pressure on small businesses. We are already seeing some stories of businesses with cash flow issues and I can't help but feel that this trend will continue in 2023.

Smart, resilient businesses will survive and I am sure we will see more Government intervention in some areas to assist small businesses. Here's hoping.

One area I continue to counsel clients about is to make sure you pay your employees' superannuation on time. It is one area the Australian Taxation Office (ATO) can and do act quickly on and it costs a lot to rectify so please stay on top of this recurring obligation.

The Director Identification Number (DIN) Project

This has to be one of the most bizarre rollouts I have ever seen. A system designed by the Australian Securities and Investments Commission (ASIC) but largely run by the ATO as they have a vested interest in making sure all directors have DIN's. I read an article last week that across the whole of Australia apparently **just one in five directors have a DIN**. And all directors of companies had a full year to apply for one. It has been one disastrous failure.

Apart from the fact that in a lot of cases, it was too hard for some to apply for a DIN, the main reason for the failure is the ATO and ASIC both assumed that accountants would take the lead role in this project, just like we did for JobSeeker, JobKeeper, JobMaker and JobSaver. The big difference between the Job initiatives and the DIN project was we did not hold all of the information needed to get a DIN on behalf of our clients. Like most accountants in Australia, we left it to the individual director to apply with constant reminders from us to meet the deadlines.

We still have not heard from 97 clients about their DIN's despite repeated reminders and I fear they will now be subject to the penalties, see below. If you are one of these 97, I urge you to get your DIN and let us know you have one. We will both sleep better that way.....

| Offence | Legislative section | Maximum penalties for individuals |
|---|----------------------------|---|
| Failure to have a director ID when required to do so | s1272C | \$13,200 (criminal); \$1,100,000 (civil) |
| Failure to apply for a director ID when directed by the Registrar | s1272D | \$13,200 (criminal); \$1,100,000 (civil) |
| Applying for multiple director IDs | s1272G | \$26,640, 1 year imprisonment or both (criminal); \$1,100,000 (civil) |
| Misrepresenting director ID | s1272H | \$26,640, 1 year imprisonment or both (criminal); \$1,100,000 (civil) |

Merry Christmas to all

And a final word on the festive season. It is almost upon us, we are told it's the most wonderful time of the year. From everyone at AV and our families to you and your families, have a wonderful and safe Christmas and we look forward to seeing you in the New Year.

As always, if you have any questions, please [contact our office](#).

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