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NOT FOR PROFIT SELF-REVIEW RETURN

Peter Baker | Byfields Manager

Not for profit (NFP) organisations have always operated under the requirements of the legislation and should have reviewed, at least annually, that they met their obligations and operate according to their governing documents. From 1 July 2024 NFP organisations will be required to annually lodge a self review by 31 October. Below is how to get ready for your first self-review return and what the report entails.

Make sure the associates and authorised contacts are setup with the ATO.

The first step is to make sure your organisation details are up to date with the ATO is showing the correct associates and authorised contacts.

In most NFP organisations the committees change regularly, and the associates and authorised contacts may not have been updated since they were originally registered with the ATO. If you find this is the case for your organisation, you can complete the ATO form NAT 2943 attaching your most recent AGM minutes showing the office bearers and if you would like to nominate an authorised contact, attach minutes to state who you would like the authorised contacts to be.

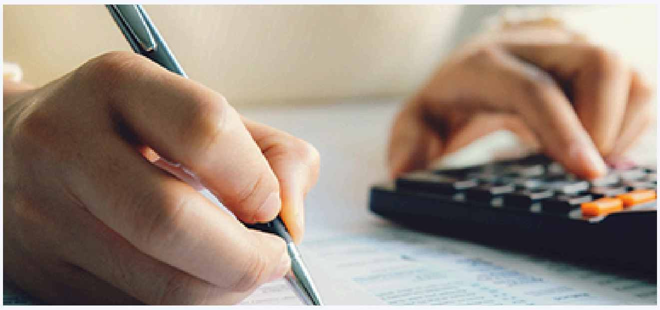
Set up myGovID and Relationship Authorisation Manager (RAM)

Download the myGovID app onto your phone and complete the ID information required (drivers licence details or similar). Once complete, this app is used to provide security code allowing you to access your Authorisation Manager page.

Once you are associated with the organisation with the ATO the next steps are:

1. Go to authorisationmanager.gov.au
2. Login in using your myGovID
3. Select Link your business
4. Add postal address help by the ATO and click continue
5. Select the organisation you wish to link from the list and click continue
6. Enter an email address (doesn't have to be the same as your MyGovID)

Once this is complete you are ready to prepare and lodge your NFP organisation's self review return from 1 July.



What does the self review return involve?

The report will be available from 1 July 2024 which have the following questions:

Estimated annual gross revenue category for the organisation?
Small: $0 – $150,000
Medium: Over $150,000 – $3,000,000
Large: Over $3,000,000

Category that best reflects the main purpose of the organisation?

- Community service
- Cultural
- Educational
- Health
- Employment
- Resource development
- Scientific
- Sporting

Does the organisation have and follow clauses in its governing documents that prohibit the distribution of income or assets to members while it is operating and winding up?

- You'll need to review the constitution or rules or article of association to ensure such a clause is included.

If the organisation is in one of the following categories does it exist, operate and incur expenditure in Australia?

- Community service
- Cultural
- Educational
- Health
- Scientific
- Sporting

Does the organisation have any charitable purposes?

- If the organisation operates as a charity it must register as a charity and it then has separate reporting requirements.

To be prepared, please ensure you have updated the information held with the ATO and link your organisation to your RAM as early as possible and review your constitution or governing documents so you are prepared to lodge the self-review by 31 October.

2024 FINANCIAL YEAR PLANNING

Eamonn Lanagan | Byfields Director

The end of the financial year is fast approaching and we have only just received a decent break to the season for many farmers. At Byfields we are seeing some significant potential tax bills as we make our way through our update and tax estimate season thanks to prior year deferrals and a significant drop in depreciation. We are also seeing some great planning opportunities for those with low taxable incomes to set themselves up for future years.

Before committing to tax planning strategies, it is vital that you know what your tax is likely to be for the year. Byfields' has a very rigorous process, where we combine your year-to-date actuals with your budget to 30 June and calculate your expected business profit.

This figure can then be combined with personal income from other sources, giving you an accurate estimate of tax payable. We then formulate a detailed plan with you, while considering the fit of any plan to your long-term goals.

We feel this an absolute must before considering the following options.

The 2023/24 Financial Year

The two preceding years were two of the best on record, many clients used the income from these years to invest in their business through machinery and more efficient practices, reduce debt and purchase off farm assets. Thanks to COVID measures and tax planning in these good years, the tax paid did not reflect the great production and income results.

Many farmers also did not have the cash flow pressures of previous years or had optimism for better prices to come, and so deferred the sale of grain or produce from the 2022 harvest to July 2023 and brought forward or prepaid inputs for the 2023 season to June 2023. This has resulted in a significant head start to taxable income which was not wholly offset by the reduced production in 2023/24.

Planning Strategies for 2023/24

Make the most of your business structure. The first step is to ensure you are trading in the right structure and 1 July is the most efficient time to change your structure if it is no longer fit for your business.

Using a company in the structure to cap the tax rates on a portion of income to 25% is an effective tool in high income years. In lower income years, the retained earnings of the company can be paid as fully franked dividends and tax refund be received or reduce tax payable on off-farm income.

Timing, business efficiency and cash flow. Once your budget and tax estimate has been prepared, there may be opportunities to boost your cash flow or set the business up for the coming year.

In a low profit year, it is a good opportunity to get off any deferral merry-go-round where you may have deferred grain sales to average out your income or held for price and marketing opportunities. It is also a chance to redeem Farm Management Deposits and get those funds back into your working capital and growing your business.

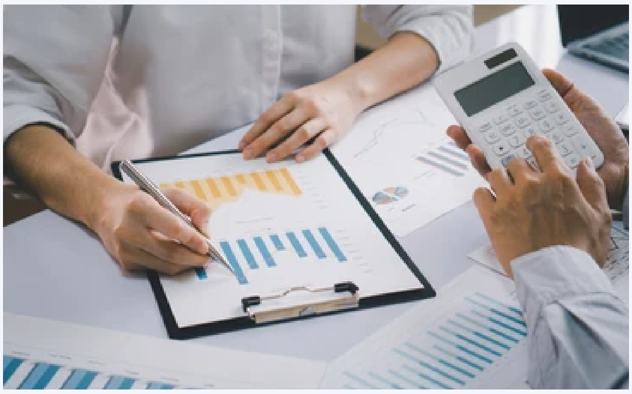
If taxable profit is high, you may choose to set yourself up for the coming year. Prepay products have become the favour here as they allow the flexibility to adapt your inputs to the seasonal conditions, have a higher reward rate than interest on FMDs and don’t require the funds to be out of working capital for at least 12 months.

Ensure you discuss the accounting treatment of these timing measures with your accountant and your accounting basis as this will affect the cash flow requirements.

Long term planning. Every good tax plan considers the long term goals of the business and family members, there is no point deferring all of this years tax if you end up paying a higher tax rate in coming years, stress your cash flow and accrue additional interest.

The plan should also align with the business plan, goals, succession and off-farm investments. One of the best planning measures is to contribute to superannuation. There are many opportunities that assist in future planning while taking advantage of super’s low tax environment.

These planning methods are just a taste of how a Byfields accountant, with the best planning tools, can help you proactively plan ahead of the end of financial year and give you the peace of mind from knowing, and being able to budget on, what your tax is for the future.



NAVIGATING LEAVE ENTITLEMENTS: A GUIDE FOR EMPLOYERS AND EMPLOYEES

Danielle McNamee | ProcessWorx Managing Director

Understanding the various types of leave entitlements is crucial for both employers and employees to ensure fair practices and compliance with employment standards. Here's a brief overview of key leave types, including paid annual leave, personal/carer's leave, and long service leave.

Paid Annual Leave

Permanent Employees (excluding casuals) are entitled to 4 weeks of paid annual leave per year, accruing progressively based on their ordinary hours of work. This leave accumulates year on year. Employers must not unreasonably refuse a leave request, ensuring a balance between work commitments and employee well-being.

Special Consideration for Shift Workers

Shift workers, under certain conditions, are entitled to an additional week of annual leave, totalling 5 weeks if covered by a modern award or enterprise agreement, or if they meet specific work schedule criteria.

Paid Personal/Carer's Leave

Permanent Employees (excluding casuals) accrue 10 days of paid personal/carer's leave annually, which also accumulates over time

This provision allows employees to take necessary time off for illness or to care for immediate family members in need. Additionally, employees can take 2 days of unpaid carer's leave per occasion for emergency family care, provided they are not eligible to take paid leave for the same circumstance.

Long service Leave

Long service leave rewards long-term employment, with entitlements typically commencing after 7 years of service. This leave acknowledges an employee's dedication and is applicable to all employment types, including casual and seasonal positions. The specific conditions and entitlements are governed by state or territory laws.

Upon Termination

An important aspect of long service leave is the entitlement to payment upon employment termination after 7 continuous years of service. This applies to resignations, dismissals, redundancies, or the employee's death.

Family and Domestic Violence Leave

All employees are entitled to 10 paid days off per year, resetting on each work anniversary. This is not accrued and does not accumulate and is standalone from other types of leave. This is available to all employees, including casual employees and forms a part of the National Employment Standards. In addition to this, Family and Domestic Violence has been included under a workplace protection and is treated similarly to discrimination or sexual harassment.

ANNUAL LEAVE
PERSONAL LEAVE
LEAVE ENTITLEMENTS
CARERS LEAVE
LONG SERVICE LEAVE

When processing Family and domestic violence leave, employers must be sure to not include the leave on a payslip, or in any official records that may be seen and put the employee at risk. The payslip must reflect a normal working pay period.

Compassionate Leave

Permanent Employees are entitled to 2 paid days leave per occasion upon the death or serious illness of a family member, or a member of the household. Casual employees are entitled to 2 days leave, which is unpaid

Leave entitlements form a fundamental part of the employment relationship, providing necessary breaks for rest, recovery, and personal matters. Both employers and employees should be aware of these entitlements to foster a supportive and compliant workplace environment.

Protecting Australian Workers with Safer Welding Fume Exposure Standards

Danielle McNamee | ProcessWorx Managing Director

In a significant shift towards ensuring safer working environments, Australia has updated its workplace exposure standard for welding fumes, reducing the acceptable limit from 5 milligrams per cubic meter (mg/m³) to 1 mg/m³ over an 8-hour time-weighted average. This change reflects a growing awareness of the health risks associated with welding fumes and a commitment to worker safety across various industries.

Understanding the Change

Welding is an extensive process in sectors ranging from manufacturing to agriculture. It involves melting metal parts to join them together, which produces fumes that can be harmful. These fumes comprise fine particles of metal oxides, silicates, and fluorides. The specific composition depends on the materials being welded, the type of welding wire, and any surface coatings. Recognised as a human carcinogen, welding fume exposure poses significant hazards, including respiratory issues, asthma, metal fume fever, and even long-term lung damage.

Why the Standard has Changed

The decision to tighten exposure standards comes from a deeper understanding of the risks posed by welding fumes. Research has identified these fumes as not only carcinogenic but also capable of causing a range of respiratory and systemic health issues. These include irritation of the respiratory tract, chest tightness, asphyxiation, lung damage, bronchitis, pneumonia, and emphysema. Given the severity of these risks, reducing exposure limits is a critical step in protecting workers.

Factors Influencing Exposure

The risk and severity of exposure to welding fumes depend on several factors, including the welding method used, the materials involved, any surface coatings, and the working environment. Techniques like arc air gouging, flux core, MMAW (Manual Metal Arc Welding), MIG (Metal Inert Gas) welding, and flame cutting produce the highest amounts of fumes.

Working in confined spaces or areas with insufficient ventilation increases the risk, with visible fume clouds indicating significant exposure.

Strategies to Limit Exposure

To mitigate these risks, employers are encouraged to adopt safer practices. These include opting for welding processes that generate fewer fumes, such as TIG (Tungsten Inert Gas) welding, and improving workplace ventilation through the use of fume extractors and fans. Providing personal protective equipment (PPE), like respirators, is also vital. Training for workers on the hazards of welding fumes and how to use protective measures effectively is equally important. Where possible, isolating workers from exposure areas and regularly monitoring fume levels can help ensure the safety of all employees.

Next Steps for Employers

Moving forward, it is crucial for workplaces to maintain clean welding surfaces, establish effective ventilation systems, and provide appropriate respirators to each welder. Supervising and training workers to use controls correctly, along with regular monitoring of exposure levels, will be key in adhering to the new standards and ensuring a safer working environment.

This update to the welding fume exposure standard is a positive step towards acknowledging and addressing the health risks associated with welding activities.

By implementing these changes, Australia sets a precedent for workplace safety, highlighting the importance of proactive measures in protecting workers' health and wellbeing.

ProcessWorx
HR & WHS

How ProcessWorx can help your business:

With over 10 years of experience working with small businesses, ProcessWorx knows the importance of understanding and protecting your business from ongoing changes to the Industrial Relations landscape, while ensuring you remain compliant.

If you need assistance implementing any changes in your business or would like a review of your current workforce planning and contracts, please contact ProcessWorx and they can assist you with your IR compliance.

If you would like more information about Industrial Relations for your business, please contact ProcessWorx on **(08) 9316 9896** or email **enquiries@processworx.com.au**

2024 FEDERAL BUDGET UPDATE

$20,000 instant asset write-off extended to 30/6/25

The $20,000 instant asset write-off has been extended, allowing you to immediately deduct the cost of eligible assets until June 30, 2025. Here's what you need to know:

- Eligibility

Small businesses with an annual turnover of less than $10 million.

- Write-off Threshold

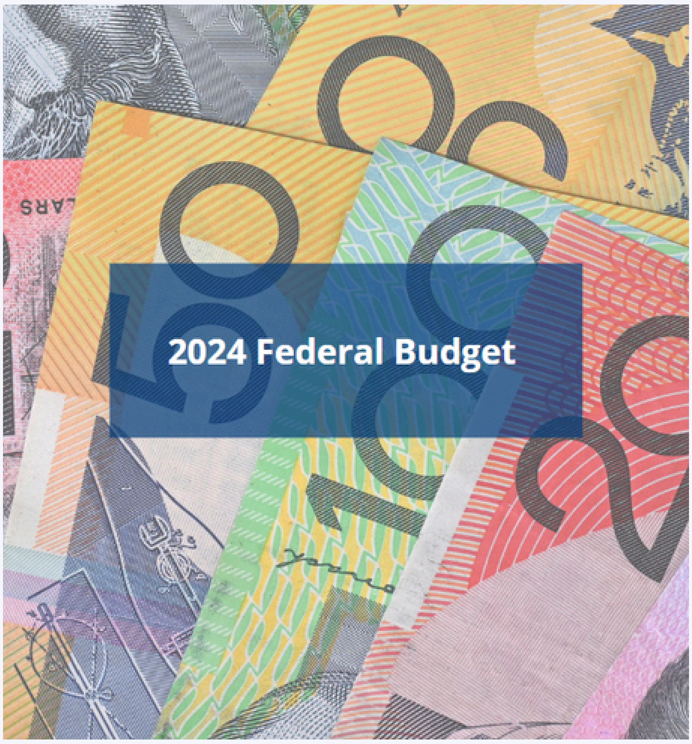
The write-off applies to individual assets costing less than $20,000.

- Deduction

You can potentially deduct the full cost of multiple assets as long as each asset costs less than $20,000.

- Timeframe

Assets must be purchased, installed, and ready for use between July 1, 2024, and June 30, 2025.



$300 for households and $325 for small business as energy bill credits

From 1 July every household will receive a $300 rebate on their energy bills under a $3.5 billion cost-of-living package.

Small businesses will also benefit from the Energy Bill Relief Fund, with around a million eligible organisations to get $325 off their power bills.

This will be automatically applied and paid in quarterly instalments on your electricity bill throughout 2024-25.

Superannuation will be paid on government payments of Paid Parental Leave

Starting from July 1, 2025, superannuation will be paid on Government-funded Paid Parental Leave (PPL) for births and adoptions occurring on or after this date.

With an increased Super Guarantee rate of 12% (up from 11.5% for the 2024-25 period), eligible parents will receive an additional payment equivalent to 12% of their PPL payments, which will be contributed by the Government to their superannuation fund.

This update aims to address a significant inequity in retirement savings for women.

Estimated benefits for a typical parent taking 18 weeks of paid parental leave could add around $6,500 per child to their retirement savings.

Interest on HECS/HELP loans capped at max of wage growth or CPI – whichever is lower

Under the proposed alteration, indexation will now be calculated based on the lower of the Consumer Price Index (CPI) or the Wage Price Index (WPI) beginning June 1, 2023. Once the legislation is approved, the Australian Taxation Office (ATO) will automatically apply the revised indexation rates to outstanding loans.

This shift means that borrowers are likely to benefit from lower indexation rates, therefore reducing their outstanding loan balances. For instance, the indexation rate, which stood at 7.1% on June 1, 2023, would decrease to 3.2% under the proposed changes. Similarly, the expected rate of 4.7% for June 1, 2024, would decrease to an estimated WPI figure of 4.0%.

IMPORTANT UPDATES

ATO'S REVISED APPROACH TO DEBT MANAGEMENT

New Payment Plan Restrictions

The ATO has advised us that they will be less likely to offer payment plans moving forward. If a client has defaulted on payments too many times, future payment plans may be denied. Additionally, for significant debts, the ATO will require a fully completed and submitted Capacity to Pay assessment.

Changes in Interest and Penalty Remissions

In line with the updated guidelines, the ATO has communicated that approvals for interest and penalty remissions will be significantly reduced. This marks the end of the more lenient period during the COVID-19 pandemic. Moving forward, all ATO staff have been instructed to enforce stricter boundaries.
We understand that these changes may pose challenges for some of our clients, and we are here to help you navigate through them.

Support is available to businesses experiencing difficulties | Australian Taxation Office (ato.gov.au)

END OF FINANCIAL YEAR – STP FINALISATION

Tasks to be completed

- Review organisation details
- Ensure STP Phase 2 categories have been allocated and are correct
- Process your final pay run by 30 June 2024 (note this will be the last pay run that will be paid prior to 30 June 2024)
- Review and reconcile wages and PAYGW in your payroll software and cashbook software
  - Correct any errors or differences
- Review and reconcile superannuation between payroll software and cashbook software
  - Process super for the June quarter
- Process STP finalisation event - due 14th July 2024

WORK EXPERIENCE AT BYFIELDS

Byfields is always looking to provide on the job learning and mentoring to those studying a business degree. Work experience is available across the Byfields network.

If you know someone who is studying, we would love to hear from them. We will tailor a work experience program to fit with their availability and to ensure exposure to the different services we offer.

Please contact our Senior People & Culture Adviser, Yolandi Nagel on (08) 6274 6400 OR yolandin@byfields.com.au or speak to your Byfields accountant.

IMPORTANT DUE DATES

WHAT IS DUE?	DUE DATE:
LIKELY RETAIL SUPER CONCESSIONAL CONTRIBUTION CUT - OFF	15- JUNE
LAST BUSINESS DAY OF THE FINANCIAL YEAR	28- JUNE
END OF FINANCIAL YEAR	30- JUNE
FAMILY TAX BENEFITS - CLAIM 2022/23	30- JUNE
SINGLE TOUCH PAYROLL FINALISATION	14- JULY
PAYROLL TAX JUNE AND ANNUAL RETURN	21- JULY
JUNE QUARTER EMPLOYEE SUPERANNUATION	29- JULY
JUNE QUARTER BAS - NON-ONLINE LODGEMENT	29- JULY
JUNE QUARTER BAS - ONLINE LODGEMENT	12- AUGUST
TAXABLE PAYMENTS ANNUAL REPORT (CONTRACTORS AND SUBCONTRACTORS)	28- AUGUST