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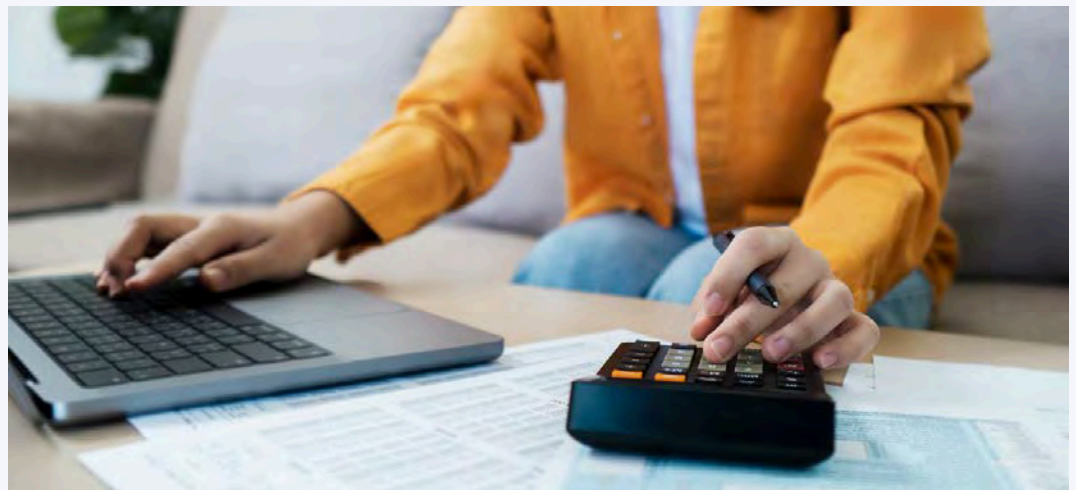
Glenn Waldock | Byfields Director

ATO Payment Plans for Debts Under \$200,000

Did you know the Australian Taxation Office (ATO) offers flexible payment plans to help individuals and businesses manage tax debts under \$200,000? These plans are designed to ease financial pressure while ensuring compliance with tax obligations.

Key Features

- **Eligibility:** Available to individuals, sole traders, and businesses with a good compliance history.
- **Debt Threshold:** For debts under \$200,000, a streamlined online application process is available.
- **Upfront Payment:** Typically requires a 10% upfront payment.
- **Repayment Term:** Up to 24 months, with instalments made weekly, fortnightly, or monthly.
- **Interest Charges:** Subject to the General Interest Charge (GIC), currently around 11.36% annually, compounding daily.
- **Application Methods:** Online via myGov or Online Services for Business, through a registered tax or BAS agent, or by calling the ATO directly if online setup fails.



Important Considerations

- Only one active payment plan is allowed at a time.
- Future tax obligations must still be paid on time and are not included in the existing plan.
- From 1 July 2025, interest on ATO payment plans will no longer be tax-deductible, increasing the effective cost of these arrangements.

Interest-Free Payment Plans

The ATO also offers interest-free payment plans, but these are limited and subject to strict eligibility criteria.

Who Qualifies?

To be eligible for an interest-free plan, your business must:

- Have an annual turnover under \$2 million.
- Owe \$50,000 or less in activity statement (BAS/IAS) debts that are overdue for up to 12 months.
- Have a good lodgment and payment history, including no more than one payment plan default in the past 12 months and no outstanding activity statement lodgments.
- Be unable to access finance through normal business channels.
- Demonstrate ongoing business viability.

How It Works

- The debt must be repaid via direct debit within 12 months.
- While ATO letters may mention interest, it is remitted if the plan is adhered to.
- You must stay up to date with all future tax obligations during the plan.

Final Thoughts

ATO payment plans can be a lifeline for businesses and individuals facing tax debt. However, it's crucial to:

- Understand the cost implications, especially with rising interest rates and the loss of deductibility.
- Explore interest-free options if eligible.
- Use the ATO's payment plan estimator to model repayment scenarios and interest costs.

If you have any questions about your eligibility or need assistance setting up a payment plan with the ATO, our team at Byfields is here to help.

MAJOR REWORK ON THE \$3MILLION SUPER TAX - AND THEY'VE LISTENED (SORT OF)

Corey Bavin | Byfields Associate

Federal Treasurer Jim Chalmers has this week announced significant changes to the proposed \$3million superannuation tax, more than two years after it was first announced. The revised approach addresses two of the most criticised aspects of the original plan: taxing unrealised capital gains and the failure to index the \$3million threshold.

The tax is still proposed to be an extra tax in addition to the normal super taxes.

What's changed?

Under the updated proposal, the tax will now begin on 1 July 2026, a 12-month delay from the original start date. The first relevant calculation date will be 30 June 2027.

Importantly, there are now two thresholds:

- A 15% additional tax will apply to 'earnings' (still not fully defined) on the portion of an individual's super balance over \$3million.
- An additional 10% (bringing the total to 25%) will apply to earnings on balances over \$10 million.

Both thresholds will be indexed to inflation, but not guaranteed annually – instead, increases will occur in increments of \$150,000 (for the \$3million threshold) and \$500,000 (for the \$10million).

A quick example:

Take Jack, who has \$6 million in super in accumulation phase at 30 June 2027. Half of his balance is over the \$3 million threshold. If his super fund earns \$500,000 during the year (e.g. from a farm lease and interest), Jack would be liable for a division 296 tax of:

$$15\% \times 50\% \times \$500,000 = \$37,500$$

The fund would also be liable for 15% tax on regular earnings, amounting to \$75,000.

Here's our take:

One of the most controversial elements of the original proposal was the inclusion of unrealised capital gains, such as increases in land value. These are now excluded; we see this as a big improvement.

However, it remains unclear whether the new tax will apply only to realised gains that accrue after 1 July 2026, or to the entire realised gain, even if part of the increase in value occurred earlier. For example, if farmland bought in 2010 for \$400,000, is worth \$2 million at 30 June 2026 and sold for \$2.1 million in 2027, will the taxable gain be \$100,000 or \$1.7 million under this new tax's definition of earnings? The accounting community's expectation would be just the \$100,000.



Other grey areas include whether the capital gains discount (1/3rd for assets held over 12 months) will apply, and how pension-phase income, typically tax-exempt, will be treated under the 'earnings' calculation in this new regime.

Superannuation taxation is particularly complex and there is a long way to go before the legislation is introduced and passed. At Byfields, our expert SMSF team can help navigate you through the complexities of this tax and plan effectively.

Please contact **Corey Bavin** on coreyb@byfields.com.au if you would like to discuss further.

SPRING CLEANING FOR YOUR BUSINESS: HR ESSENTIALS TO STAY COMPLIANT

Danielle McNamee | ProcessWorx & ProcessWorx Ag | Managing Director

If your business hasn't reviewed its HR setup lately, now is the time to check your compliance. Between award wage increases, superannuation changes and updated record-keeping requirements, staying across your obligations is critical. Gaps in compliance can lead to backpay claims, penalties, or even Fair Work disputes.

1. Apply the New Minimum Pay Rates

The Fair Work Commission has increased both the National Minimum Wage and Award minimum wages by 3.5%, effective 1 July 2025.

If you have employees covered by any Modern Award:

- Update pay rates to reflect the changes.
- Don't rely on past rates or verbal agreements.

If you use flat rates or annual salaries, make sure these arrangements still satisfy all Award entitlements, including:

- Overtime.
- Weekend and public holiday penalties.
- Allowances (e.g., higher duties, meal, or travel allowances).
- Leave loading.

You may need to conduct a Better Off Overall Test (BOOT) to confirm your pay structure remains compliant.

2. Update Superannuation Contributions to 12%

The Superannuation Guarantee rate increased from 11.5% to 12% on 1 July 2025.

If you haven't already:

- Update your payroll system or manual payroll process to reflect the new rate.
- If you include superannuation in an employee's total pay package, make sure you recalculate their base wage to reflect the new 12% rate.
- Review superannuation payments for contractors, some may be entitled to superannuation even if they have an ABN.

Employers are legally responsible for ensuring superannuation is paid correctly and on time. Missed or late contributions can result in penalties and interest charges.

3. Review and Update Employment Contracts

Every employee, whether casual, full-time or part-time, should have a written contract outlining their terms of employment.

Your contracts should clearly state:

- Employment type (casual, part-time, full-time).
- Applicable Award and classification.
- Pay structure (hourly rate, flat rate, salary).
- Key terms such as hours, leave entitlements, termination, and notice periods.

If you're unsure whether someone is genuinely a contractor or should be classified as an employee, review these arrangements now. The laws changed in 2024 and misclassification can be costly.

4. Check and Correct Leave Records

Leave records must be accurate and up to date for all permanent employees.

Confirm that:

- Leave balances are accurately recorded.
- Accruals are correct in your payroll or spreadsheets.
- You're tracking long service leave entitlements.

5. Update Workplace Policies and Induction Processes

Clear policies and inductions protect your business and help workers understand their rights and responsibilities, ensure you review your:

- Code of conduct and workplace rules.
- WHS policies.
- Drug and alcohol policies.
- Procedures for handling bullying, disputes, or misconduct.
- Onboarding processes for new or returning workers.

Make sure everyone, including casual staff and family members working in the business, are aware of their expected conduct, rights and obligations.

6. Complete Outstanding Probation and Performance Reviews

If you've brought on new employees during the year, don't overlook probation periods:

- Complete reviews before the probation period ends.
- If a worker isn't suitable, a structured process will help you meet your legal obligations and reduce the risk of claims and/or disputes.

7. Verify Employee Details and Right to Work

Take the opportunity to review your records and confirm you have the required documentation:

- Tax File Numbers.
- Super fund choice forms.
- Emergency contacts.
- Visa evidence for any workers on temporary or restricted visas.
- Signed contracts and policy acknowledgments.

Incomplete records are one of the most common issues identified during Fair Work audits. Keeping records up to date isn't just best practice, it's a legal requirement.

8. Plan Ahead for Your Workforce

Use this spring cleaning period to think about:

- Who you'll need during the next busy period.
- What contracts, training, or pay reviews are required.
- Whether you may need additional HR support to stay compliant.

A little HR spring cleaning goes a long way. If you want peace of mind that your wages, super and employment records are fully compliant, get in touch with our team today.

Contact us at enquiries@processworx.com.au or visit processworx.com.au and processworxag.com.au.



ProcessWorx

HR & WHS

How ProcessWorx & ProcessWorxAg can help your business or farm:

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 or visit processworx.com.au and processworxag.com.au.

WHERE THERE'S A WILL, THERE'S A WAY!

Neil Hooper | Byfields Director

Over the past few weeks, I've had several conversations with farming families about the growing complexity of succession planning. This has been partially caused by the dramatic rise in land values over the last decade or so, which has made the equitable balancing of assets between farm and off farm siblings more difficult to achieve.

This increase has not only complicated succession planning, but in many cases has also made will preparation far more complex.

It's understandable that many clients are hesitant to update their wills amid this uncertainty. But putting it off doesn't make the issue go away. Most of us know of cases where someone has passed without a will—or with one that was outdated or poorly drafted—leaving their family to navigate a costly and emotionally draining legal maze.

The fact of the matter is that many farming families net assets are now substantial, and if wills aren't well thought through the prospect of family conflict is significantly higher.

Here's the bottom line: while preparing a will can be confronting, delaying it indefinitely isn't fair to your loved ones. The risk of leaving behind confusion, conflict, and financial complications is simply too high.

Now more than ever, it's vital to work with a lawyer who understands the unique challenges of the agricultural sector. Ideally, this should be done in tandem with an accountant who knows your personal circumstances inside out.

At Byfields, we generally supply client information, including their financial structure, trust deeds and landholdings, to the lawyer in advance of a meeting. We then meet with the clients along with the lawyer to discuss all aspects of the estate plan. We also ensure documents such as enduring powers of attorney are considered.

Once the wills are drafted, we review these to ensure nothing has been overlooked and then ensure they are correctly signed and witnessed.

In my experience, when your accountant and an experienced lawyer collaborate, even the most complex situations can be resolved. But one thing is certain: 100% of wills that are never addressed will remain unresolved.

So, if you've been putting it off—make this the season you take action. Your family will thank you for it.

Contact us today at www.byfields.com.au to get things started.

#Although the article focuses on farming businesses, the same principles are equally relevant to our business clients with substantial asset bases.



THE IMPACTS OF THE RECENT FEDERAL COURT DECISION

Danielle McNamee | ProcessWorx & ProcessWorx Ag | Managing Director

The Decision:

A recent Federal Court decision has now significantly changed how employers must calculate pay and maintain records. Employers can also no longer rely on annualised or averaged salaries to meet Award obligations. Employees must now be “better off overall” in each pay period. This means that further ‘top up’ payments may now be required in some circumstances.

What This Means for Employers:

- **Pay must comply per pay period.** Each pay run must meet all Award entitlements, including overtime, penalties, allowances, and loadings.
- **Flat or annualised rates are no longer sufficient.** Where a flat rate falls short in any given pay cycle, a 'top-up' payment must be made as wages, not a bonus.
- **Record keeping must be detailed and accurate.** Rosters or clocking in/out data alone are not enough. Records must show all hours worked, overtime, allowances, penalties, breaks, and loadings.
- **IFAs (Individual Flexibility Agreements).** Will be phased out.
- **Updated employment contract templates.** Must include appropriate set-off clauses aligned with the new rules.
- **TOIL (Time Off in Lieu).** Arrangements must be in writing and genuinely agreed. Verbal or informal agreements are non-compliant.
- **Leave and overtime triggers.** Leave hours count toward overtime calculations - employees can't be asked to "make up" missed hours later.

Recommended Next Steps:

- Review employment contracts – ensure Award coverage and entitlements are correctly included.
- Audit payroll systems – verify that pay-per-period compliance can be tracked and top-ups processed correctly.
- Upgrade record keeping – itemise all components of pay and ensure data is accessible to employees.
- Consult with employees – secure updated, signed agreements where required.
- Seek financial advice – particularly on how to process top-up payments.

What ProcessWorx is doing:

We will be updating all contract templates, BOOT calculators, and compliance tools on the ProcessWorx Shield and all IFA templates will be removed from Shield once new contracts are released.

Have any questions on how to navigate the Federal Court Decision? Please contact ProcessWorx on (08) 9316 9896 or email enquiries@processworx.com.au or visit processworx.com.au and processworxag.com.au.

ATO INTEREST CHARGES NO LONGER TAX DEDUCTIBLE FROM 1 JULY 2025

Mark Lucas | Byfields Manager

The federal government has recently passed law whereby taxpayers will no longer be able to obtain tax deductions for ATO interest charges (being the general interest charge (GIC) and the shortfall interest charge (SIC)) where such charges are incurred on or after 1 July 2025.

GIC or SIC is incurred when you become liable for the interest charge, however the two charges are slightly different:

- GIC imposed on unpaid tax liabilities is incurred on a daily basis.
- SIC imposed on an unpaid income tax shortfall is incurred in the year you are served a notice of amended assessment.

What happens after 30 June 2025?

Any GIC or SIC incurred on or after 1 July 2025 is not deductible. This includes all GIC and SIC in respect of outstanding or late payments of tax for income years both before and after 1 July 2025. As they are not deductible, any GIC or SIC that is later remitted will no longer need to be included as assessable income.

What you need to know:

Any GIC or SIC incurred prior to 1 July 2025 is not impacted by the changes to the law and will continue to be deductible for the 2024-25 and earlier income years. However, this all changes after 30 June 2025.

From 30 June 2025, the non-deductibility of ATO interest charges (combined with the traditionally higher interest rates as compared to what might be available elsewhere) will make GIC and SIC significantly more unattractive. The ATO has also recently taken a much stricter view on the imposing of these charges and on requests for remissions. It is arguably more important than it has ever been to avoid incurring these interest charges.

What should you be doing?

Aside from ensuring that tax obligations are lodged and paid on time, if you do find yourself exposed to potential ATO interest charges (in particular any ongoing charges), you may wish to explore whether these charges can be avoided or at least minimised through improved management of cash flow, including the obtaining of additional sources of finance, where appropriate.

Have any questions?

If you have any questions or feel you need to better understand these changes in the law, please do not hesitate to contact your Byfields accountant.

IMPORTANT REMINDER ATO CHANGE AS OF JULY 1 2025

The employee super guarantee (SG) rate is 12%.

If you have any queries or concerns, please contact your Byfields accountant [Contact Us - Byfields](#)

More information [SGC Rate details](#)

UPCOMING KEY DATES

WHAT IS DUE?	DUE DATE:
PAYROLL TAX - DECEMBER	7 JANUARY
PAYROLL TAX - JANUARY	7 FEBRUARY
PAYROLL TAX - DECEMBER QUARTER	7 JANUARY
SUPER FOR EMPLOYEES - DECEMBER QUARTER	28 JANUARY
DECEMBER QUARTER - BAS	28 FEBRUARY
PAYGW - NOVEMBER	21 DECEMBER
PAYGW - DECEMBER	21 JANUARY

**The Directors & staff at Byfields wish
you & your families a Merry Christmas
& Happy New Year!**

**During the festive season, our offices will be closed
from Wednesday 24 December 2025 @ 1.00pm,
reopening Monday 5 January 2026 @ 8.30am.**