

Other articles in this issue:

\$20,000 Instant asset writeoff

ATO Interest charges no longer tax deductible

An in depth look at navigating the new Civil & Criminal penalties for underpayment (wages/entitlements)

ATO shifts non-compliant small businesses to monthly GST

WA student assistance payment

Also in this edition:

Byfields Webinar Registration

Upcoming Key Dates

Internships at Byfields

Byfields Staff Anniversaries

ADDITIONAL TAX ON \$3M SUPER BALANCES | A FORK IN THE ROAD?

Corey Bavin | Byfields Associate

Since the concept was first proposed in November 2023, there has been plenty of coverage of the potential taxing of unrealised gains in superannuation where the balance exceeds \$3 million per person. It was intended the changes commence on 1 July 2025, so it certainly had the potential to be a factor this year.

To recap, the proposed changes have potential to adversely affect particularly superannuation funds with a large component of farm land, where that land is rising in value. Consider the example of a typical husband and wife super fund in pension phase that:

- Has \$6,000,000 worth of land in it at 30 June 2025,
- Receives net lease proceeds after costs of \$150,000 in the 2026 financial year,
- Finishes the year with land valued at \$7,000,000.



The net lease proceeds would be subject to ordinary income tax in the fund. Additionally, under the proposed new tax the increase in the land value, although unrealised, would incur further tax of \$85,700. Additional tax will be payable in every year the land increases in value.

The worst part is if the land is sold in a subsequent year, or even transferred back to the members, there is no credit received against the tax payable on the realised capital gain i.e. members are likely paying tax twice on the same gain in value.

Having outlined the above, there is now a light at the end of the tunnel. In October 2024, the Bill stalled in the Senate due to concerns over its application and inherent unfairness, and eventually did not pass.

Further, following the recent announcement of the Federal Election set for May 3, 2025, the proposed legislation has effectively lapsed, as the government has paused all legislation that has not yet been passed.

With the ALP being re-elected, it will now need to reintroduce the legislation, and have it pass both houses. So the implementation could take a significant amount of time, if in fact it passes at all. It is worth noting that the Federal Budget announced in March 2025 shows revenue from this tax commencing in 2026/27, but we feel this is unrealistic even with Labor winning the election.

If you have any concerns in relation to the proposed legislation, please feel to call the specialist SMSF Team at Byfields for a chat. www.byfields.com.au

\$20,000 INSTANT ASSET WRITE-OFF | WHERE WE ARE AT FOR FY2025

Irene Lim | Byfields Manager

Since the measure was first reintroduced in the May 2023 Federal Budget, the \$20,000 instant asset write-off has been the subject of ongoing debate, delays, and amendments. After months of uncertainty, the legislation was finally passed in March 2025 — but the rules are once again only temporary, and the future remains unclear.

To recap, the \$20,000 instant asset write-off allows eligible small businesses to immediately deduct the cost of certain depreciating assets, rather than claiming deductions over several years. The asset must cost **less than \$20,000**, and be first used or installed ready for use between 1 July 2024 and 30 June 2025.

There are important caveats:

- The \$20,000 limit is per asset, so multiple assets can be claimed, provided each is under the threshold.
- For GST-registered businesses, the threshold is exclusive of GST (i.e. the asset's net cost must be under \$20,000).
- For businesses not registered for GST, the threshold is inclusive of GST.

To be eligible, businesses must have an **aggregated turnover under \$10 million**.

So why the fuss?

The \$20,000 cap was originally due to end on **30 June 2024**, but the government extended it for another 12 months to **30 June 2025**. However, this required legislation — which became caught up in parliamentary delays and wasn't passed until **28 March 2025**, just months before the end of the financial year. This created significant uncertainty for small businesses trying to plan ahead.

Adding to the complexity, unless new legislation is introduced, the threshold is scheduled to revert to just \$1,000 from 1 July 2025.

What should businesses do now?

Small businesses with upcoming capital expenditure should strongly consider bringing forward purchases before 30 June 2025, where appropriate, to take advantage of the current \$20,000 threshold.

Keep in mind:

- The threshold is **strictly under \$20,000**, so even \$20,000 exactly will not qualify.
- Ensure assets are **installed and ready for use** before 30 June 2025.
- Assets over the threshold can still be depreciated.

Need advice?

If you're not sure whether your planned purchases qualify or how to apply the write-off in your tax planning, speak with your accountant or our team. We're here to help you make the most of the opportunities available.



ATO INTEREST CHARGES NO LONGER TAX DEDUCTIBLE FROM 1 JULY 2025

Irene Lim | 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.

AN INDEPTH LOOK AT NAVIGATING THE NEW CIVIL AND CRIMINAL PENALTIES FOR UNDERPAYMENT

Danielle McNamee | ProcessWorx | Managing Director

From 1 January 2025, intentionally underpaying an employee's wages or entitlements will be a criminal offence under the *Fair Work Act 2009* (Cth). These changes, along with penalty increases for both criminal and civil breaches are designed to promote fairness and compliance in workplaces.

These legislative changes affect all employers, but are particularly critical for small businesses and farms, where payroll, record keeping, and award compliance are often handled without dedicated HR teams. If you employ staff, it's time to review your payroll, contracts, and workplace systems to avoid costly non-compliance issues.

Criminal Offence for Intentional Underpayment

Since 1 January 2025, knowingly and intentionally underpaying an employee's entitlements can be prosecuted as a criminal offence. This includes failing to pay:

- Award minimum hourly rates
- Penalty rates (e.g. weekends, public holidays)
- Overtime
- Allowances
- Leave entitlements
- Redundancy pay
- Superannuation

Honest mistakes are not criminal offences, but employers must act promptly once they become aware of an underpayment.

Criminal Penalties

Individuals (e.g. owners, directors, managers):

- Up to 10 years imprisonment
- Fines up to \$1.65 million, or three times the underpayment, whichever is greater

Companies:

- Fines up to \$8.25 million, or three times the underpayment, whichever is greater.

Increased Civil Penalties for All Employers

If the failure is due to error, lack of knowledge, or accidental, it will not be criminal, but it may still be a civil breach or serious civil contravention.

The civil penalties for failing to pay employee entitlements have also been significantly increased, and came into effect 1 January 2025:

	An Individual*	Less than 15 employees	15 or more employees
Per contravention	\$19,800	\$99,000	\$495,000
Per serious contravention	\$198,000	\$990,000	\$4,950,000

Note: An individual refers to a person involved in the company can include a: director, manager, accountant, or business involved in the supply chain.

What is a “Serious Contravention”?

A contravention is classified as serious if the employer:

- Knew they were breaching workplace laws; or
- was reckless as to whether they were breaching the law

Serious contraventions attract the highest penalties and apply to breaches of key areas, including:

- The National Employment Standards
- Modern awards and enterprise agreements
- Minimum wage orders
- Rules about payslips, record-keeping, wage payments, and unlawful deductions

No Records, No Defence

Employers who fail to meet record-keeping or payslip obligations must disprove the employee's claim if taken to court.

Any wage claim may be accepted unless you can prove otherwise if you haven't:

- Kept timesheets, pay records, or leave records
- Issued compliant payslips
- Maintained visa/work entitlement evidence for non-citizens



ProcessWorx Recommends You:

1. Review Employment Arrangements

- Confirm employee classifications (casual, part-time, full-time)
- Check pay rates against the relevant award
- Ensure you're complying with NES entitlements

2. Audit Payroll and Records

- Review timesheets, payslips, superannuation, and leave balances
- Fix any underpayments promptly and transparently
- Keep accurate records

3. Update Employment Documents

- Ensure all workers have up-to-date contracts
- Include correct award coverage, classification, pay, hours, and entitlements

4. Train Staff

- Ensure anyone responsible for hiring, rostering or payroll understands their legal obligations and the risks of non-compliance

5. Use ProcessWorxShield

- Our tailored HR and WHS support platform helps you manage compliance, store documents, and access current advice, without the overhead of a full-time HR team.

6. Get Help Early

- If you're unsure about your obligations, don't wait for a Fair Work audit or employee complaint.

The new laws may feel overwhelming, but the steps to mitigate risks are simple: stay informed, act early, and get the right support. If you'd like help navigating these changes, reviewing your current employment practices or implementing better payroll systems, contact Processworx on 08 9316 9896 or enquiries@processworx.com.au.



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

WA STUDENT ASSISTANCE PAYMENT

The WA Student Assistance Payment (WASAP) provides financial support to Western Australian families for expenses associated with sending their children to school. The payment is available to parents and carers of students from Kindergarten to Year 12 and can be claimed from now until 4 July 2025.

Cost-of-living payments for each child include:

- \$150 for Kindergarten and primary school students
- \$250 for secondary school students

For more information including how to claim visit [WA Student Assistance Payment](#)



TIME FOR TAX PLANNING

With 30 June fast approaching, now's a great time to sit down with your accountant and make sure everything's in order. A little planning now can go a long way — whether it's making the most of the \$20,000 instant asset write-off, reviewing super contributions, or looking at prepaid expenses, and more.

It's all about avoiding last-minute stress and making smart moves while there's still time. Leaving things too late often means missed deductions and unnecessary tax.

A short conversation now could make a meaningful difference. If you haven't already, check-in with your accountant. Your future self will thank you.

ATO SHIFTS NON-COMPLIANT SMALL BUSINESSES TO MONTHLY GST

The ATO recently announced they will move the 'non-compliant' small businesses from quarterly GST to monthly. They are looking at moving around 3,500 small businesses with a history of non-payment, late payment, non lodgement and incorrect reporting.

The ATO said that the above will help the small businesses create a good habit of complying with the GST obligations and improve their cash flow. Changes to reporting cycles will remain in place for a minimum of 12 months as part of the ATO's 'Getting it right' campaign.

This shift will be from 1 April 2025. The ATO will contact small businesses and their tax professionals when their GST reporting cycle is changed from quarterly to monthly GST reporting.

See the link below for more information.

[ATO shifts non-compliant small businesses to monthly GST](#)

FRINGE BENEFITS TAX ("FBT") IMPLICATIONS ON EMPLOYER SPONSORED VISAS

Did you know there may be Fringe Benefits Tax ("FBT") Implications when you sponsor a visa for your staff?

As businesses increasingly rely on global talent, it's important to be aware of FBT rules. With the Australian Taxation Office ("ATO") enhancing its data-matching capabilities, it's essential to understand how FBT might apply to you.

What you need to know

Not all employer-sponsored visas will have FBT implications. So, which types of employer-sponsored visas are exempt from FBT?

Let's break it down.

FBT Exempt

Good news! If you're covering the relocation, visa application and legal costs to **relocate** an employee from **outside** Australia, you are generally exempt from FBT (i.e. **off-shore** visa application).

Not FBT Exempt

However, if the employee is **already in Australia** and you're funding their visa-related application cost to remain or switch to a new visa, these costs will potentially attract FBT (i.e. **on-shore** visa application).

If the costs associated with the visa sponsorship aren't exempt, FBT can effectively double your costs.

Understanding these rules can help you avoid surprises and ensure compliance with ATO regulations.

What's Next

If you'd like to dive deeper into how this might affect your business, don't hesitate to reach out to your accountant here at Byfields Business Advisers.

The team at Byfields is here to help you navigate these complexities and keep your business running smoothly!

BYFIELDS WEBINAR

Have you registered for the upcoming Byfields webinar, **Improving your Cashflow** presented by **Director, Gordon Richards**? Scan the QR code below, or click this [link](#) to register!

byfields
business advisers

WEBINAR

Improving your Cashflow

Presented by Byfields Director, Gordon Richards

Managing working capital
Cashflow budgeting
Options to help cashflow
Finance options

Scan to register below:

May 21st
2025
9am - 10.30am

Gordon Richards
Director

Register via QR code or link!

UPCOMING KEY DATES

WHAT IS DUE?	DUE DATE:
PAYROLL TAX - APRIL	7 MAY
PAYROLL TAX - MAY	7 JUNE
PAYROLL TAX - JUNE	21 JULY
PAYROLL TAX - JUNE QUARTER	21 JULY
PAYROLL TAX - ANNUAL	21 JULY
SUPER FOR EMPLOYEES - JUNE QUARTER	29 JULY
JUNE QUARTER - BAS	28 JULY
STP FINALISATION	14 JULY
PAYGW - APRIL	21 MAY
PAYGW - MAY	21 JUNE
FAMILY TAX BENEFITS - CLAIM 2023/24	30 JUNE
END OF FINANCIAL YEAR	30 JUNE

BYFIELDS STAFF ANNIVERSARIES



INTERNSHIPS | GRADUATE OPPORTUNITIES AT BYFIELDS

Byfields is always looking to provide on the job learning and mentoring to those studying accounting. Internships/Graduate opportunities are available across the Byfields network.

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

**Scan the QR code to register your interest today.
Come Grow with Us.**

