

**Other articles in this issue:**

Take Your Roof Rack Off - Fuel Excise

Payday Super Starts 1 July 2026 - Are you Prepared?

Crouching Tiger Hidden Tax

Good Planning Goes a Long Way

Avoid Paying Unnecessary ASIC Renewal Fees

Simplifying Employee Onboarding with Xero

**Also in this edition:**

Important Updates

Upcoming Key Dates

## SUCCESSION PLANNING TALES FROM YELLOWSTONE RANCH

**Jack Hayes | Director**

If you've watched Yellowstone, you'll know it's not just about cowboys and cattle – it's about land, legacy, and the chaos that erupts when succession planning is ignored. John Dutton might run the biggest ranch in Montana, but for all his grit, he is hopeless at succession planning. His kids – Beth, Kayce, and Jamie – are all pulling in different directions, and the lack of a clear plan creates constant conflict.

In family farming, succession planning is one of those things we all know we should do – but it's easy to put off. The seasons keep rolling on, and suddenly, the next generation is ready to step in. Without a plan, uncertainty can tear families apart and jeopardise decades of hard work. A well-thought-out succession plan isn't just about who gets what; it's about protecting relationships, preserving business continuity, and ensuring the farm remains viable for future generations. I would like to share a few observations inspired by the TV series.



John Dutton's main concern towards the end of the series is tax. While I don't claim to know Montana state taxes or U.S. federal taxes, I do know ours. Here in WA, the main taxes that need to be considered are capital gains tax and stamp duty. There is a common misconception that farmers don't pay these taxes. This is absolutely not true. In fact, WA families are generally less likely to access concessions than ever before. While exemptions can apply in some cases, the legislation is extremely complex. It's vital to seek advice from professionals who understand these rules inside and out, because getting it wrong can cost hundreds of thousands (or millions) of dollars.

---

John Dutton is a loyal man who trusts his word and a handshake. In the real world, that's a recipe for disaster. A written plan – prepared with a succession expert and a lawyer who understands family farming – is essential. Family successions are typically formalised through a legal document such as a Deed of Family Arrangement, signed by all parties, rather than relying on emotional promises. This is not about distrust; it's about clarity and fairness for everyone involved.

Here in WA, we've seen what happens when succession is left too late – split families, fractured businesses, and lost legacies. Don't leave your family's future to chance. Start the conversation today. Speak with the succession planning experts at Byfields who understand family farming. A clear, written plan isn't just paperwork – it's peace of mind for generations to come.

## TAKE OFF YOUR ROOF RACK - FUEL EXCISE

### Lea Williams | Director

The government has just spent \$20million to educate us all on how to save fuel, which is an interesting way to support businesses that rely on fuel to operate. With ongoing concerns regarding immediate supply to get through seeding and beyond, we are seeing large purchases by our clients at inflated prices.

With fuel purchases comes Fuel Tax Credit (FTC) claims. FTC claims are made every quarter in your BAS using the fuel excise rates charged which can change every 6 months. Lodging FTC claims is an important part of cashflow management especially when fuel usage and cost is high.

The government has recently cut the excise from 52.60 cents per litre to 20.60 cents per litre for 3 months starting on 1 April 2026. They have also cut the Road User Charge from 32.4 cents per litre to zero. Given these changes, record keeping will be important to ensure you have the correct purchase date and usage period to work out your claim.

Importantly, the FTC rate is based on when the fuel is acquired, not when it used.

Therefore:

- Fuel bought before 1 April 2026 = old rates
- Fuel bought from 1 April 2026 onward = new reduced rates

This means your April to June BAS will likely require a split calculation, due to March fuel invoices paid in April.

#### Example – Split required

Bulk fuel delivered:

- 20 March 2026 (unclaimed until June BAS)
- 10 May 2026

BAS must:

- Apply 52.6 cpl to March fuel
- Apply 20.6 cpl to May fuel

In the past year, tax office FTC audits have increased, especially for clients who restructured their business.

Recent audits have highlighted several common issues, including:

- Failing to correctly apportion fuel between on-road and off-road use,
- Claiming fuel used in light vehicles travelling on public roads,
- Using outdated rates, and
- Inadequate record-keeping to support claims.

Given the seasonal and varied nature of a farming season, accurately tracking fuel use can be challenging. However, the ATO expects you to maintain clear and reasonable records, whether through logbooks, equipment tracking, or other substantiation methods.

---

The ATO audit activity has required clients to supply:

- A list of all vehicles using fuel,
- Individual vehicle fuel usage rates per hour,
- A logbook of hours per vehicle of use in the quarter including on-road and off-road, and
- Fuel receipts showing litres and dates purchased.

These calculations should be adjusted each quarter depending on fuel use as this will vary at different times of the year. If you have apportioned your fuel, use incorrectly when making a claim in a previous quarter, you must make an adjustment when you discover the mistake.

So, once you've removed your roof rack, please ensure you are keeping adequate records to support your FTC claim. If you would like to find out more, please feel free to reach out to our team.



## **EMPLOYERS AND HIGH EARNING EMPLOYEES PAYDAY SUPER STARTS 1 JULY 2026 – ARE YOU PREPARED?**

**Tania Wright | Manager & Christine Daniel | Accountant**

From 1 July 2026, Australia's superannuation system will undergo one of its biggest changes in decades. The introduction of Payday Super will fundamentally change when and how employers must pay superannuation guarantee (SG).

This reform is designed to reduce unpaid super, improve employee outcomes, and give the ATO near real-time visibility of employer compliance. However, it also brings significant operational, cash-flow and tax consequences for businesses and employees alike.

### **What Is Changing?**

Currently, employers can pay super quarterly, with contributions due 28 days after the end of each quarter. From 1 July 2026, this will no longer be allowed.

Under Payday Super:

- Super is recommended to be paid on payday, at the same time as salary and wages
- Contributions must reach the employee's super fund within 7 business days of payday
- Super will be calculated on Qualifying Earnings (QE), changed from ordinary time earnings (OTE)
- Reporting will be aligned with Single Touch Payroll (STP), giving the ATO full real time access to data
- The Australian Tax Office (ATO) Small Business Superannuation Clearing House (SBSCH) will close on 30 June 2026

---

## What Businesses Need to Do Now

Although the start date is 1 July 2026, businesses should prepare well in advance. Key action steps include:

### 1. Review Payroll and Super Processes

Your payroll system must be capable of:

- Calculating super each pay cycle
- Processing super payments more frequently in line with your pay cycle (weekly/fortnightly/monthly)
- Ensuring payments arrive at the fund within the 7-business day deadline

Not all clearing houses and payroll systems will be suitable under the new rules.

- As of 1 July 2026, you cannot use the ATO clearing house.
- We recommend exporting all information and reports from the ATO, as after this date all information will be lost. You must have this information in case of an ATO audit
- Setting up a complying industry super fund clearing house is an alternative to using the ATO clearing house

### 2. Plan for Cash-Flow Impact

Many businesses have historically relied on holding super until quarter end. From 1 July 2026:

- Super becomes an immediate cash outflow
- Weekly and fortnightly payrolls will feel the impact most
- Poor cash-flow planning increases the risk of late payments and penalties

### 3. Understand the ATO Enforcement Environment

The ATO will have near real-time visibility of unpaid or late super through STP and super fund reporting.

Late or missed payments can trigger:

- Super Guarantee Charge (SGC)
- Interest and additional penalties – which are **not tax deductible**. The late payment penalty is generally equal to 25% of the outstanding SGC amount. This will increase to 50% of the outstanding SGC amount if you have been liable for the same penalty in the previous 24 months
- Potential Fair Work breaches in some cases

The ATO has been clear that enforcement will be data driven and significantly faster than under the current quarterly system.

### Important Warning for High-Income Earners (Division 293 Risk)

The transition to Payday Super also creates a little-known but critical tax risk for high-income employees.

#### The Issue: “15 Months of Super” in One Financial Year

Where employers currently pay super **quarterly**, timing issues can arise during the changeover year.

If an employer:

- Pays the June 2026 quarter super in July 2026, and
- Also begins paying super on payday from 1 July 2026,

An employee may effectively receive up to 15 months of concessional super contributions in the 2026/27 financial year.

#### Why This Matters

For high-income earners, this can push them over the **Division 293 threshold**.

Division 293 tax applies when:

- Income + concessional super contributions exceed \$250,000 in a financial year
- An additional 15% tax applies to the affected concessional contributions

Employer super guarantee contributions are included in this calculation.

#### Who Is Most at Risk?

- Employees earning close to or above \$250,000 (including super guarantee)
- Individuals with bonuses, commissions or variable income
- Employees with salary sacrifice arrangements
- Business owners and senior executives

In these cases, a one-off spike in super contributions caused purely by timing (not extra pay) can still result in a Division 293 tax assessment.

---

## What Employers and Employees Should Consider

- Employers should review when June 2026 quarter super will be paid
- Employees near the \$250,000 threshold should seek early advice
- Salary sacrifice and contribution strategies may need adjustment
- Clear communication between employers, payroll providers and advisers is critical

This is an area where proactive planning can prevent unexpected tax bills.

## Final Thoughts

Payday Super is more than an administrative change. It affects:

- Payroll systems
- Cash flow
- ATO compliance risk
- Employee tax outcomes

With 3 months to go, now is the right time to start preparing.

If you would like assistance reviewing your payroll processes, cash-flow planning, or assessing Division 293 exposure for you or your employees, please contact our office.

## Payday Super – Employer Readiness Checklist

Use the checklist below to assess whether your business is ready for Payday Super commencing 1 July 2026.

### Payroll & Systems

- Confirm your payroll software can calculate super each pay cycle (weekly/fortnightly/monthly)
- Confirm the system supports Qualifying Earnings (QE), not just OTE
- Ensure super amounts are reported correctly via Single Touch Payroll (STP)
- Check whether your clearing house or payment platform is suitable for payday based payments
- Identify whether the Small Business Superannuation Clearing House (SBSCH) is currently used and plan an alternative (it will not support Payday Super). It would be recommended to export and save reports from the ATO Clearing House for your own records prior to the 30 June 2026 deadline

### Payment Timing & Compliance

- Understand that super must reach the employee's fund within 7 business days of payday
- Review internal processes to avoid delays caused by approvals, batching or manual handling
- Document who is responsible for monitoring on time payment confirmation
- Put controls in place to quickly fix any missed or late payments

### Cash-Flow Planning

- Update cashflow forecasts to reflect super paid every pay run
- Remove reliance on the quarterly "super float"
- Stress test cash flow for weekly and fortnightly payroll cycles
- Consider contingency funding for periods of tight liquidity

### Transition Year Planning (Critical)

- Review when June 2026 quarter super will be paid
- Identify whether paying June 2026 super in July 2026 could cause overlapping contributions
- Assess whether employees could receive up to 15 months of super in 2026/27
- Seek advice on managing the timing of payments during the transition period

### High-income Employees (Division 293 Risk)

- Identify employees earning close to or above \$250,000
- Review salary sacrifice and bonus arrangements
- Communicate potential Division 293 tax risks arising from timing of contributions
- Encourage affected employees to obtain personal tax advice early

### Employment & Communication

- Update internal payroll and HR policies to reflect Payday Super
- Communicate changes clearly to staff, particularly senior employees
- Ensure employment contracts and remuneration discussions reflect the new timing rules
- Keep records of communications and system changes for ATO review purposes

### Professional Support

- Engage your accountant, bookkeeper or payroll adviser to review readiness
- Speak with your software provider about Payday Super functionality
- Schedule a pre July 2026 compliance check
- Stay informed of further ATO guidance and transitional concessions

### Key Reminder

Late or missed Payday Super payments can result in Super Guarantee Charge (SGC), including additional charges for penalties and interest (of which these additional charges are not tax deductible). With real-time reporting, the ATO will identify noncompliance much faster than under the quarterly system. It would be recommended to have this in place prior to the date and begin processing to sort out any issues that may arise before the deadline.



## CROUCHING TIGER HIDDEN TAX

### Scott Smith | Director

Let's paint a picture.... grain prices have recovered, fuel supplies have started flowing again, West Coast are in the top four, and your estate plan is done, all is well with the world! But what about the tax?

Part of the estate planning process is to determine where assets are owned, and who controls the entities involved. Market values can be assigned to determine a fair division of assets between siblings or families. Tax implications are often overlooked in this process.

For example, a person owns two rental properties, both worth \$1m each. They have two children and will a property to each child. The first property was purchased in 1987 for \$120,000, the second property purchased in 2024 for \$950,000. Whilst there is no tax on the inheritance of these properties from the estate, if they are subsequently sold by the children, capital gains would be triggered. \$880,000 for the first house, \$50,000 for the second house. A very different tax outcome for each child. Yes, a 50% discount most likely applies to these gains (for the time being), but still a large difference!

---

Let's consider the person's main residence. If one of the above properties was the main residence of the deceased and is subsequently sold by the child within two years of the date of death, this will in most cases be tax free. The rental property if subsequently sold by the other child would trigger capital gains tax. Again, this can result in a large difference in tax outcomes for each child.

What about superannuation? Let's say the person has \$300,000 in a super fund (all invested in cash, and all part of a taxable component in superannuation), and \$300,000 cash in their personal name. They will the superannuation to one child and cash to the other. In most cases if they are an adult child and no longer a dependent there would be tax at 15% (or 17% if going direct from the fund) on the superannuation balance. The cash in their personal names to the second child is tax free. Again, a very different tax outcome.

Farm management Deposits (FMDs) are deemed to be withdrawn on the date of death, and whilst not technically taxed in the estate, the executor is responsible for the deceased's final tax return. Depending on the wording of the asset distribution in the will, could lead to unintended division of assets.

These are just a few examples, but there are many to consider. Whilst tax should not be the main factor in estate planning, it should be considered. Speak to your adviser or a Byfield's accountant if you would like to know more.



## GOOD PLANNING GOES A LONG WAY

### Eamonn Lanagan | Director

The early months of the year are a key time for planning, not just for the coming season but to set your business up for long term success. Hopefully you have gotten away from the farm, had a good break, cleared your head, and are ready to have another great year. We often see clients at this time of year considering how best to invest for the future of their business and their family.

The quality of advice on these investments varies wildly, from holiday destination real estate agents who love to see country number plates at a home open, to stock tips shared over a few too many drinks or preferably a visit with a financial planner. However, ensuring you get the structuring of your investment right for your circumstances can potentially have a greater effect on cash received than the percentage of annual return and capital growth.

The correct structure will depend on your trading entity, how you are funding the investment, the expected returns/growth, and your long term plans. Furthermore, it is integral to have your business structured in the most effective manner. You already have the risk of the investment, why add in the risk of the investment being taken in a claim because you are poorly structured. This is why it is fundamental to discuss your plans with your accountant, well before you are signing up any investment.

---

Each structure has its pros and cons depending on your personal and business circumstances. For example, buying a house in individual names is good if it is going to be your main residence, or it is going to be a negatively geared rental but is likely to have a large tax and duty burden if it will be transferred as part of succession. Alternatively purchasing high dividend yield shares in company can allow the dividends to net off any company tax, reinvest and keep growing without adding to individual tax burdens.

We must also watch and consider the suggested changes to the Capital Gains Tax discounts, which will have a significant impact on some entities and none on others.

At Byfields we are so much more than just tax compliance; we care for our clients and want to help them achieve the best long-term results personally, for their family and in business. We would love to discuss your circumstances, plans, and structures.



## IMPORTANT UPDATES AND UPCOMING KEY DATES

### SIMPLIFY YOUR EMPLOYEE ONBOARDING WITH XERO

Bringing on new employees just got easier. Xero has introduced a new employee self-onboarding feature designed to streamline the setup process and reduce manual data entry.

Instead of manually inputting employee details, you can now invite new team members to securely complete their own onboarding form. This allows them to provide important information such as their personal details, tax file number, superannuation, and banking information directly within Xero.

Once submitted, you simply review and approve the details, and Xero will automatically create the employee record — saving you time and reducing the risk of data entry errors.

### IMPORTANT: NOT EVERY ASIC RENEWAL NOTICE IS WHAT IT SEEMS

We're seeing an increase in clients receiving renewal notices for business names and company registrations from third-party providers such as Registry Australia. These notices can look official and may reference ASIC; however, they are not issued by the government or through your usual channel with us.

While these services are legitimate and will complete the renewal on your behalf, they act as a third-party and typically charge significantly higher fees than the official cost set by the Australian Securities and Investments Commission (ASIC).

For business names, ASIC renewal fees are \$42 for one year or \$98 for three years, whereas Registry Australia charges \$99 and \$199, respectively. These providers position themselves as helping you stay compliant, often promoting "discounts" for early payment. In reality, this creates a false sense of urgency that can lead to you paying more than you need to.

For companies, third-party providers may also send notices relating to your Annual Company Review. Sometimes including ASIC issued cover sheets obtained through a request for your company's details, which can make the notice appear more legitimate. The official ASIC annual review fee is currently \$67 or \$329, depending on the type of company (subject to change from 1 July 2026); however, these providers may charge \$495 or more for the same process.

**What we recommend**

- Wait for your official business name renewal notice from ASIC
- For companies, only act on Annual Review documentation issued by Byfields or ASIC, not a third-party provider
- Avoid scanning QR codes or making payments to unfamiliar providers

If you have completed any forms through a third-party provider, this may remove us as your Registered Agent. We will be notified and will contact you if this occurs.

If you're ever unsure about a notice you've received, it's always worth double-checking before making a payment. Feel free to reach out to our team we're more than happy to review it with you.

WHAT IS DUE?	DUE DATE:
PAYROLL TAX - APRIL	7 MAY
PAYROLL TAX - MAY	7 JUNE
PAYROLL TAX - JUNE	7 JULY
PAYROLL TAX - JUNE QUARTER	7 JULY
SUPER FOR EMPLOYEES - JUNE QUARTER*	28 JULY
JUNE QUARTER - BAS	28 JULY
PAYGW - APRIL	21 MAY
PAYGW - MAY	21 JUNE
2026 FBT RETURN	25 JUNE

**\*FROM 1 JULY 2026, SUPER WILL NEED TO BE PAID EACH TIME YOU PAY EMPLOYEES**

