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2024 TAX PLANNING

Caitlin Riethmuller | Manager

While this article predominantly references agribusiness, there are many good takeaways for commercial businesses.

This picture may sum up what a lot of farming businesses will be experiencing this year, and no, we aren't referring to the amount of water in the dam.

Profits with tax paid – out of the system



- FMDs
- Grain Deferred
- Large profits built up in companies
- Temporary full expensing!

You may think minimal tax planning will be necessary due to the average or below average 2023 harvest. However, we have come off the back of record harvests where farmers could utilise temporary full expensing to reduce taxable profits considerably. A lot of grain was also deferred to July 2023, pool grain proceeds received from prior years, profits distributed to companies, pre-pay products used, and maybe even some FMD's deposited.

So, what do we need to consider for the 2023/24 financial year?

Asset purchases & sales

- Temporary full expensing finished on 30 June 2023.
- Back to pooling for small businesses – 15% depreciation in 1st year, 30% of the balance each following year.
- Instant asset write-off now \$20,000 for small business
- Many businesses are no longer considered “small” (must be under \$10m turnover).
- Non-small businesses depreciate each asset separately based on effective life.
- Assets that were written off under temporary full expensing will be 100% taxable when sold.

Planning Opportunities

- Turnover may fall below \$2m, allowing access to the Small Business CGT concessions.
- Turnover may fall below \$10m, allowing access to the Small Business Restructure Rollover. Now is a good time to consider your businesses trading structure.
- Opportunity to declare dividends from companies and receive a refund of franking credits.
- Get off the deferral of income or bring forward of expenses merry-go-round.
- Early withdrawal of FMDs if there is a rainfall deficiency.
- Maximise superannuation contributions. The annual concessional cap is \$27,500 with your ability to carry forward unused concessional contributions if your fund balance is under \$500,000. This is the last year you can utilise any unused contributions from the 2019 financial year onwards.
- Ability to claim Family Tax Benefit (FTB). Your 2023 tax returns and 2023 FTB claim must be submitted by 30 June 2024. Your eligibility for FTB for the 2024 financial year should be considered amongst the other strategies outlined above.

As always, discuss your tax planning with your accountant and be proactive with your planning for the 2024 financial year. The relatively small cost of carrying out such planning is usually rewarded with many thousands of tax dollars saved and issues raised before it is too late.

Byfields tax estimate is the premier planning tool for business and allows us to have all the tools for a robust discussion on your current goals and future plans.



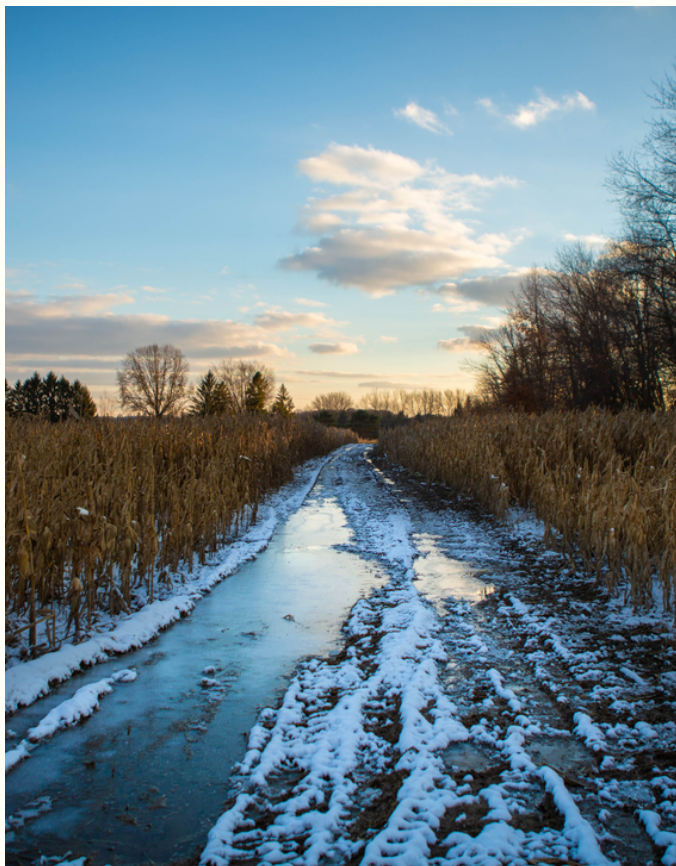
AVISO CLIMATE & WEATHER

Mike Thomas | Aviso WA General Manager Broking

Aviso Climate & Weather (powered by Aviso WA Insurance Brokers) is now offering **Parametric Insurance** to the Western Australian Agriculture sector.

Parametric Insurance (or also known as Weather Certificates) once the domain of only the large Mining and Construction industries, is available and now protecting Australian Farmers for Temperature and Rainfall covers.

These covers which can be taken at critical times of the Crop Growing Cycle and are used as part of your overall Risk Management process.



Aviso WA Insurance Brokers

Midland | Avon Valley | Wheatbelt
Mid-West | Central Midlands | Esperance

avisowa.com.au

Effectively you can arrange Insurance cover for:

- Dry Season Cover Too Little Rain
- Frost Protection Too Cold
- Canola Heat Stress Too Hot
- Wet Harvest Too Much Rain

As each of the names suggest, each grower can now take one or more of the above covers in combination or individually, which are specific to their own unique and individual exposures.

With 100 Years of BOM Data now available, the specific covers and premiums generated will differ from grower to grower, even in the similar regions, due to the history of that specific peril and how often it has occurred in the past.

If you wish to discuss further, please contact your local Aviso WA Broker.

MAJOR OVERHAULS IN EMPLOYMENT LAW: A LOOK AT THE FAIR WORK ACT CHANGES

Danielle McNamee | ProcessWorx Managing Director

The Australian Parliament passed the Closing Loopholes No. 2 Bill on 12 February 2024, marking another shift in employment legislation. This legislation makes yet more changes to several aspects of the Fair Work Act, aiming to close loopholes created by the secure jobs, better pay act which was passed in 2022 and closing the loopholes No1, passed in 2023.

Here are the main updates employers and employees need to be aware of:

Refined Definitions of Employee and Employer

The bill introduces a clearer definition of "employee" and "employer," prioritising the practical reality of the employment relationship over formal titles. This amendment will particularly affect the classification of contractors through the reintroduction of the Multi Factorial test, determining the distinction between contractors and employees more clearly.

Casual Employment Clarification

A new framework for identifying casual employment will be implemented, taking into account factors like the presence of a firm advance commitment to continuing work and entitlement to casual loading or specific pay rates. This adjustment aligns with the broader goal of ensuring employment classifications reflect the true nature of work relationships.



ProcessWorx
— HR & WHS —



In a significant move towards work-life balance, the legislation grants employees the right to disconnect from work-related communications outside their working hours.



Stricter Penalties for Underpayments

The bill introduces stringent penalties for wage theft. This includes the possibility of imprisonment and substantial fines for offenders. Moreover, the legislation will facilitate easier access for unions to enter workplaces to investigate suspected underpayments. As the Fair Work Act awaits the final step of Royal assent, the implications of these changes are profound. Upon enactment, the alterations regarding contractors and underpayments will become effective immediately, signalling a new era of employment law in Australia, geared towards fairness, transparency, and the recognition of modern work dynamics.

The Right to Disconnect

In a significant move towards work-life balance, the legislation grants employees the right to disconnect from work-related communications outside their working hours. This right will consider various factors, including the reason for contact, its level of disruption, compensation, role responsibilities, and personal circumstances, embedding it within the general protection regime as a workplace right.

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**

Ensuring Compliance and Accuracy: Record Keeping Policy

Danielle McNamee | ProcessWorx Managing Director

In today's fast-paced business environment, maintaining accurate and legal records is not just a matter of internal organisation but a legal necessity. Companies must recognise the importance of record keeping, and developing a Record Keeping Policy to ensure compliance with legal obligations and to uphold high standards of accuracy and privacy. The simple mantra is - **If it's not in writing, it didn't happen.**



A Record Keeping Policy is a useful tool in ensuring that a company is legally compliant and adheres to other requirements such as privacy and confidentiality.



Purpose of the Record Keeping Policy

Companies should be committed to fulfilling their legal obligations regarding record keeping. A Record Keeping Policy is a good way to outline the standards and procedures for accurate record keeping that the company and its employees must follow. This policy serves as a cornerstone in the company's commitment to transparency, accountability, and legal compliance.

Employer and Employee Obligations

It is important that companies ensure that all records are kept in strict compliance with privacy laws, accessible only to authorised personnel. This includes a commitment to maintaining time and wages records for a minimum of seven years, as mandated by legislation. Employees, on their part, are obliged to adhere to this policy and maintain the confidentiality of the records they have legitimate access to. Any breach of confidentiality can open liability to both the employee and the company. When a company hires a new employee, they must ask for several important documents including the Superannuation Choice Form, Tax File Number Declaration, rights to work and any relevant qualifications. These initial documents are vital for ensuring compliance with various laws covering employment.

Payslip Information

Companies must provide every employee with a detailed payslip, which includes essential information such as the company's legal name, employee's name, pay period, rates of pay, gross and net pay, deductions, and superannuation contributions. This transparency is key to ensuring that employees are fully informed about their compensation and deductions.

Timesheet Requirements

Employees and contractors are required to submit timesheets that are legible, in English, accurate, and not misleading. The company will specify the format and submission process for timesheets, which must include start and end times and meal breaks, ensuring accurate tracking of working hours.

Keeping Additional Employee Records

Companies must also maintain records related to superannuation contributions and the circumstances surrounding the termination of employment, among others. These records are crucial for financial management and providing a clear history of an employee's tenure and contributions.

A Record Keeping Policy is a useful tool in ensuring that a company is legally compliant and adheres to other requirements such as privacy and confidentiality. By establishing clear guidelines and obligations for both employers and employees, it ensures that business operations are transparent, accountable, and in full compliance with legal standards.

IMPORTANT UPDATES

Optional grain, seeds and hay industry funding scheme.

Growers have the option to 'opt out' of the scheme if they do not want to contribute.

Note that this scheme is the evolution of the former Skeleton Weed Levy Scheme.

If you wish to opt out, you must do so between 1 and 30 June each year.

[Grains, Seeds and Hay Industry Funding Scheme | Agriculture and Food](#)



Beware, invoices sent via email

Our IT Manager Mike Cornforth has advised he is seeing more and more cases of scammers sending invoices via email, posing as a provider of a service.

Along with the invoice they are advising bank details have been updated or changed.

Scammers are getting better at replicating documents and logos to look authentic. So please be diligent in checking (by phone) that the invoice is in fact legitimate before paying.



June 2024

More information coming soon!

Presented by



Glenn Waldock
Director

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 from the 16th of January 2024 onwards or speak to your Byfields accountant.



What matters to you, matters to us.

Business Advisory & Taxation
Succession Planning
Agribusiness
Self Managed Superannuation
Bookkeeping

Congratulations!

15 years of service
Associate Simon Boyd

10 years of service
Director Eamonn Lanagan
Associate Jack Hayes
Manager Jared Ryan
Senior Accountant Margaret Clarke

5 years of service
Manager Irene Lim
Senior Accountant Alex Hewett
Senior Accountant Genna Dilley