



Byfields Newsletter

December 2019 / January 2020

The festive season is upon us with Christmas only a couple of weeks away. The partners and staff of Byfields would like to thank all our clients, associates and their families for their continued support during the past year and wish everyone a very Merry Christmas and a happy and safe New Year.

Our offices will be closed from 12pm on Tuesday 24 December 2019 and will reopen as normal on Thursday 2 January 2020.

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Work Experience Opportunity for Accounting Students Interested in Farming/Agribusiness

Byfields is the largest WA based CPA firm with 11 Directors and over 75 staff. We operate through seven offices, with the head office located in Belmont, and rural bases in Northam, Merredin, Narrogin, Wagin, York and Beverley.

We are offering a Graduate or near Graduate, seeking a career in accounting for agricultural businesses, an opportunity to participate in work experience at one of our offices to work alongside our highly experienced, professional agricultural (farming) team. The ideal candidate/s will preferably have a connection to the rural space, or a strong desire to be involved in the agricultural field.

If you would like to learn more about this exciting offer, please contact our Senior HR Coordinator, Jennifer Simpson, on 6274 6400.



Byfields Wealth Management and Byfields Finance Solutions are Moving!



Byfields Wealth Management and Byfields Finance Solutions have outgrown their offices at Keymer Street and are moving to larger premises.

From Thursday 2 January 2020 you will find them at their new address:

Level 1, 89 Burswood Road, Burswood WA 6100

- ★ They have two allocated customer bays at the front for parking
- ★ They're directly opposite Burswood Seafood – the "Big Prawn"
- ★ They still have the same phone number, team and quality service

Please give them a call for more details or directions on (08) 9416 2222.



Xero Online File Management

If you are using Xero as your record keeping software, there is another feature that will be worth using as part of your monthly subscription.

Xero Files is a cloud data storage site that you can use similarly to Dropbox. This is an online filing system where each file or document must be less than 25mb. At the moment there is no limit to the amount of data that you can store on Xero. Why pay for a separate online cloud storage when you can store them all in Xero?

Easily share files with your accountant or bookkeeper

Collaborate in real-time with Byfields by sharing your files. You can give your bookkeeper or accountant full access and let us view, add and remove files from your file folder as necessary.

The screenshot shows the Xero Files interface. On the left is a sidebar with a 'Change organisation' link and a list of options: LGF (highlighted), Files, Settings, Do more with Xero, Payroll, Projects, Expense claims, WorkflowMax, App marketplace, and Xero HQ. The main area is titled 'Files' and shows a list of folders: Inbox (0), Contracts (0), Personal Tax... (3), and Personal Tax... (15). Below these is a '+ New folder' link. To the right, under the 'Personal Tax Expenses 1819' folder, there are buttons for 'Upload Files', 'Take photo', 'Add to new', 'Move to', and 'Delete'. Below these buttons is a table of files:

<input type="checkbox"/>	File	Size	Uploaded
<input type="checkbox"/>	Super Contribution.pdf	538.00 KB	26 Aug 2019
<input type="checkbox"/>	ANZ Tax Summary.pdf	37.01 KB	06 Aug 2019
<input type="checkbox"/>	RB Interest.pdf	24.55 KB	06 Aug 2019
<input type="checkbox"/>	TAL Life Ins.pdf	73.56 KB	06 Aug 2019
<input type="checkbox"/>	Macquarie Statement.pdf	342.66 KB	06 Aug 2019
<input type="checkbox"/>	Perpetual Statement.pdf	142.41 KB	06 Aug 2019

Here's the extra bit that you may not have thought of: You could also use Xero Files to store your personal tax documents that you wish to send to your accountant at tax time such as donation receipts, annual private health statements, work related expenses and rental documents. You no longer need to email or post these documents. Your bookkeeper or accountant can retrieve it straight from Xero anytime.

Apart from saving your invoices and receipts for customers from your device, take a picture of your document and email them straight to your files inbox. Go to **Home | Files**. Here, create a **New Folder** to separate your business and personal records. Segregated by tax year.

All your records are kept in one place, making it quicker and easier to find and share information.

Try file management in Xero free for 30 days

If you are not a Xero subscriber yet, try file management in Xero for free for 30 days to see for yourself how file management and storing works in Xero.

You can upload your own files or use the Xero demo company. For more information click on the Xero link below:

www.xero.com/au/features-and-tools/accounting-software/files/

McGowan Government Delivers Payroll Tax Relief for WA Businesses

The McGowan Labor Government will deliver payroll tax relief to up to 12,000 WA businesses, providing a stimulus to the State's economy and supporting new jobs for Western Australians.

As part of the \$170 million payroll tax package, the payroll tax exemption threshold will be increased by \$150,000 over the next two years.

Currently, WA businesses with Australia-wide payrolls of up to \$850,000 are exempt from payroll tax. The annual threshold will be increased to \$950,000 from 1 January 2020, and again to \$1 million from 1 January 2021.

Raising the payroll tax threshold will result in around 1,000 businesses in Western Australia no longer being liable for any payroll tax, while also cutting payroll tax liability for an additional 11,000 businesses.



Taxable payroll	Current liability	Savings under \$950,000 threshold	Total savings under \$1m threshold
\$900,000	\$3,102	\$3,102	\$3,102
\$950,000	\$6,203	\$6,203	\$6,203
\$1,000,000	\$9,305	\$6,156	\$9,305
\$1,500,000	\$40,320	\$5,682	\$8,589
\$2,000,000	\$71,335	\$5,209	\$7,873
\$2,500,000	\$102,350	\$4,735	\$7,157
\$3,000,000	\$133,365	\$4,262	\$6,442
\$3,500,000	\$164,380	\$3,788	\$5,726
\$4,000,000	\$195,395	\$3,315	\$5,011
\$4,500,000	\$226,410	\$2,841	\$4,294
\$5,000,000	\$257,425	\$2,368	\$3,579
\$5,500,000	\$288,440	\$1,894	\$2,863
\$6,000,000	\$319,455	\$1,421	\$2,147

Reducing the payroll tax burden on Western Australian small and medium businesses will lower the costs associated with the hiring of additional staff, and provide an opportunity for those businesses to reinvest.

Importantly, these changes will also bring Western Australia's payroll tax regime more into line with those in other States.

Key ATO Dates for December 2019 & January 2020

DECEMBER

Companies that were taxable medium to large clients in prior year (payment)	1 December
Companies that were required to lodge by 31 October (payment)	1 December
November monthly activity statements (payment and lodgement)	21 December

JANUARY

December monthly activity statements due (payment and lodgement)	21 January
December quarter super guarantee contributions	28 January

For a full list of ATO due dates, go to www.ato.gov.au/Business/Reports-and-returns/Due-dates-for-lodging-and-paying/Due-dates-by-month/.

Draft Rules for Restriction on Use of Cash Legislation

The government has released draft rules to support the Currency (Restrictions on the Use of Cash) Bill 2019, which if enacted will make it a criminal offence for certain entities to make or accept cash payments of \$10,000 or more. The Bill was introduced on 19 September 2019 and has passed the House of Reps. It has been referred to a Senate Committee for report by 7 February 2020.

The Currency (Restrictions on the Use of Cash) Rules 2019 set out which payments fall outside of the rules, as well as how to value an amount of foreign currency or digital currency in Australian currency.

By way of summary, the draft rules would exempt the following payments from the cash payment limit rules, namely those:

- ◆ related to personal or private transactions (other than transactions involving real property – see below);
- ◆ that must be reported by an entity under anti-money laundering and counter-terrorism legislation, provided, broadly, the entity with a reporting obligation complies (or is reasonably expected to comply) with their obligations under that legislation;
- ◆ payments made or accepted by a public official in the course of their duties where it is necessary for the payment to be made in cash for the performance of those duties and payments made or accepted by Australian government agencies where the payment is foreign currency produced for a foreign government;
- ◆ payments that only equal or exceed the cash payment limit because the payment is part of a transaction involving collecting, holding or delivering cash and this is undertaken in the course of an enterprise of collecting or delivering cash (i.e. providing cash-in-transit services);
- ◆ payments that only equal or exceed the cash payment limit because payment is or includes an amount of digital currency; and

- ◆ payments that occur in exceptional situations where no alternative method of payment could reasonably be used (see below).

The 2 exceptions that are likely to be of most interest is the exemption for personal or private transactions and the exemption where no other alternative method is available.

Personal or private transactions

Payments that are not made in the course or furtherance of carrying on an enterprise will not be subject to the cash limit rules. “Enterprise” and “carrying on an enterprise” will have the same meanings as used in GST. Those who deal with GST know that these concepts are much broader than the “carrying on a business” test as it applies in the income tax context. Accordingly an entity will be carrying on an enterprise if it not only carries on a business (or an activity in the form of a business), but also if it offers property for rent, operates a super fund, or is a non-for-profit, and so on. It will also capture one-off enterprises, e.g. if a person renovates a house for the purposes of sale.

The cash limit rules are designed to apply very broadly and so the personal or private transaction exemption will only apply where an entity is acting in a wholly private or personal capacity.

The test will be based on the objective nature of a payment and protects both the entity making the payment and the entity receiving it (recalling that the cash limit rules can apply to both the payer and the payee). However, the exemption will also be based on the reasonable belief of the parties at the time, which allows scope where a party acts in good faith but is mistaken. This of course will be a “fact and circumstance” call.

No alternative payment method available

The second relevant exemption is for payments that form part of a transaction for which cash is the only payment method available “for reasons beyond the reasonable control of any of the parties to the transaction and for which it [is] not reasonable to delay payment”.

It would be best not to hang a hat on this exemption – as the explanatory notes to the draft rules state that “the exception is only expected to apply in exceptional circumstances”.



Foreign currency and digital currency values

Foreign currency or digital currency must be valued in the manner it is for GST, i.e. using the methods prescribed in the Goods and Services Tax: Foreign Currency Conversion Determination 2018 and the Goods and Services Tax: Digital Currency Conversion Determination 2019.

This is a sensible move. As the explanatory notes point out, businesses would (most likely) already be required to value these amounts to fulfil their GST obligations in relation to the payment in most cases. It makes sense to have the same method apply to both the GST value and the cash limit value.

Myths and facts

The government has also released a factsheet

addressing what it terms “common myths” about the cash payment limit. A listing of the “facts” follows.

- ◆ Cash can be used to pay for a transaction up to the limit.
- ◆ The cash limit does not affect cash gifts to family members.
- ◆ The cash limit does not affect the sale of second-hand goods between private individuals.
- ◆ You will still be able to store \$10,000 or more cash outside of a bank.
- ◆ You will still be able to deposit and withdraw \$10,000 or more cash into and from your accounts.

Source: Chartered Accountants Australia and New Zealand

Aged Care Royal Commission Interim Findings Prompt \$500 Million in Additional Funds

The Royal Commission into Aged Care Quality and Safety was established on 8 October 2018 by the Governor-General of the Commonwealth of Australia, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd).

The Federal Government will spend more than half a billion dollars on the aged care sector, after the damning interim report of the aged care royal commission labelled it a “shocking tale of neglect”.

The 10-month inquiry revealed systemic failures in the sector, finding that many elderly Australians were neglected and forced to live in “unkind and uncaring” conditions.

The interim report pinpointed three key areas for immediate action: more funding for homecare packages to cut waiting list times; reducing the reliance on chemical restraints; and stopping younger people with disabilities being forced into aged care facilities.

On 25 November 2019, Prime Minister Scott Morrison announced the Coalition’s response, including almost \$500 million for 10,000 more homecare packages.

More than \$25 million will be spent on better medication management programs to reduce the use of chemical restraints, which is the practice of using medication to subdue and control the behaviour of residents in aged care facilities.

The royal commission called the use of chemical restraints “inhumane, abusive and unjustified”.

Another \$4.7 million will be spent on meeting new targets to stop young people with disabilities being placed into aged care facilities.

The Federal Government wants to ensure no-one under the age of 45 is living in aged care by 2022, and no-one under the age of 65 by 2025.

The day the interim report was delivered, a meeting of state and territory health ministers agreed to make the safe use of medicine a national health priority, after the alarming testimony heard by the royal commission about chemical restraints.

Too little, too late according to aged care advocates

While work to reduce the use of chemical restraints was welcomed, the announcement of extra home care packages was slammed by advocates who argued the system was at breaking point.

Labor followed suit, claiming the Coalition was falling well short of community expectations.





Byfields Technology Corner Part 3

In this edition of the Tech Corner we look at named ranges in Excel formulas. Whilst this is not a comprehensive discussion on how to use them it will give you an idea on how easy they are to use.

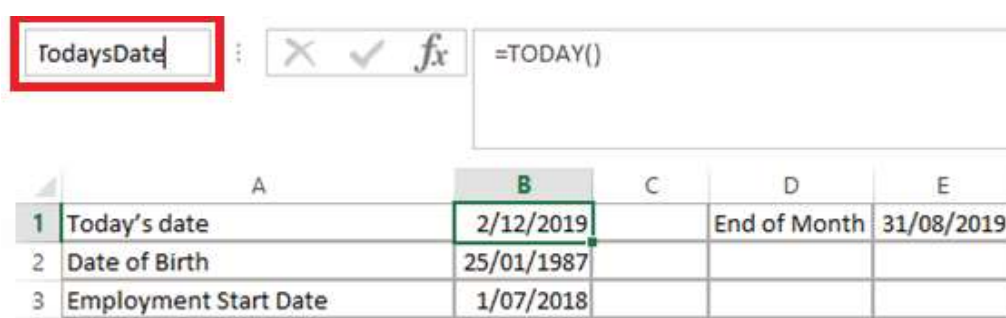
Let's begin!

In Excel a *named range* can refer to a single cell, a range of cells, a function, a constant or a table. Named ranges replace the traditional Excel cell reference (e.g. A1) with an easy to read label such as TodaysDate. Named ranges are generally used in formulas and help make them easier to read and maintain.

How to create a Named Range

There are a couple of ways to create a named range. In the following examples we'll use the tables we created in our last Technology Corner.

In the example below, we are going to name cell B1 as "TodaysDate". To do that select the cell B1 then in the name box (highlighted in red below) click and type TodaysDate.



Press **<Enter>** to complete the name.

Continue to name the cells B2, B3 and E1 as "DoB", "EmpStartDate" and "EndOfMnth" respectively.

Note there are restrictions on the naming conventions used in Named Ranges –

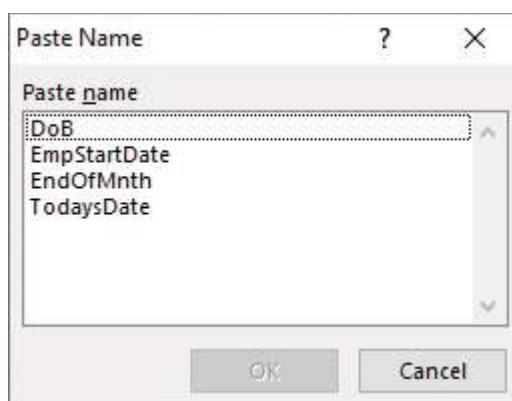
1. Spaces are not allowed e.g. "Todays Date"
2. Special characters are not allowed e.g. "Today'sDate"
3. Named ranges cannot reference another cell or named range e.g. E3

Also Name Ranges are absolute references – the same range is always referenced if the formula is copied elsewhere on the spreadsheet.

Let's take last month's DATEDIF formula and rewrite it using the names we just created. In cell B4 we start to type the following formula:

=DATEDIF(

Press the **<F3>** function key and the following Names box will appear:



Select "EmpStartDate" as the first argument, click OK then type a comma. Next, press <F3> again to display the Paste Name box, select "TodaysDate" then complete the formula as follows:

=DATEDIF(EmpStartDate,TodaysDate,"D")

The new formula is now easier to read – "What is the difference in dates between the employee start date and today's date expressed in days?".

Let's repeat the steps above to complete the NETWORKDAYS as shown below formula in cell B4. Remember to press <F3> to display the list of Names.

=NETWORKDAYS(EmpStartDate,TodaysDate)

Next, let's name the Public Holidays range from cells F2 to F10 as "PublicHolidays" as shown below:

	A	B	C	D	E
1	Today's date	2/12/2019		End of Month	43
2	Date of Birth	25/01/1987			
3	Employment Start Date	1/07/2018			
4	Days Employed	371			
5					
6	Total Working Days				
7					

In cell B8 write the NETWORKDAYS formula to include the new named range:

=NETWORKDAYS(EmpStartDate,TodaysDate,PublicHolidays)

Adjusting and Deleting Named Ranges.

If you need to add extra cells to a named range or delete a range that is no longer needed you will need to use the Name Manager tool found under the Formula ribbon as shown below:

Name	Value	Refers To	Scope
DoB	25/01/1987	=Sheet1!\$B\$2	Workbo...
EmpStartDate	1/07/2018	=Sheet1!\$B\$3	Workbo...
EndOfMnth	43708	=Sheet1!\$E\$1	Workbo...
PublicHolidays	"24/09/2018";"25/1...	=Sheet1!\$F\$2:\$F\$10	Workbo...
TodaysDate	2/12/2019	=Sheet1!\$B\$1	Workbo...

To delete, click the Name then click the black X in the bottom left of the Name Manager window.

Note: any formulas that reference the deleted named range will now display the #NAME! error. You will need to manually correct the corresponding formula.

To change the range of cells in a named range, select the Name (e.g. PublicHolidays) then change the *Refers to:* range either manually entering the new cell range or using the selection button in the bottom right of the Name Manager window.

Solution to the last Tech Corner question: =DATEDIF(DoB,TodaysDate,"Y")