



CHARTERED ACCOUNTANTS  
AUSTRALIA • NEW ZEALAND



GREENTAYLOR  
PARTNERS

2017 MARCH

# Quarterly Newsletter

## Green Taylor Partners



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## MYOB & Xero On The Go

Jess Sluggett

### MYOB On The Go for iPhone & Android

MYOB users have access to a free app providing on the go access to invoicing and contacts. The app allows users to enter and send invoices from their phone with the app automatically updating the linked MYOB AccountRight Live or MYOB Essentials file.

Contact information for customers and suppliers is accessible via the app and can be updated in real time.

To download the app, search for MYOB On The Go in the App Store or Google Play.

The app also has the ability to take Visa, MasterCard and Debit card payments where a MYOB PayDirect Reader is connected to the phone. This is a great feature for tradies who can use the app to take payment on the day of service, rather than invoicing and waiting for payment from customers.

To find out more about MYOB Pay Direct visit [myob.com.au/paydirect](http://myob.com.au/paydirect).

### Xero Accounting & Invoices for iPhone & Android

Xero's mobile app gives users the opportunity to keep bookwork up to date wherever and whenever suits. The app enables users to reconcile bank transactions, create and send invoices, capture expenses and can even give employees access to record timesheets and expense claims right from mobile phone.

As with all things Xero, the app is simple and intuitive to use with a dashboard similar to what can be seen by logging into Xero on a computer or tablet.

To download the app, search Xero in the App Store or Google Play.



## Changes to SMSF Contribution Limits

Matt Richardson

### Concessional Contributions (CCs)

From 1 July 2017 the annual CC limit will reduce to \$25,000. In the current tax year the CC limit is either \$30,000 or \$35,000 (depending on your age) so these changes will result in a substantial reduction of what can be directed into saving for your retirement in a tax-effective manner.

What you need to do:

1. If you have a salary sacrifice arrangement in place in the 2017 year and you are contributing the maximum level of CCs, then be aware you will need to rearrange your remuneration package from 1 July 2017;
2. If you are trying to maximise your retirement savings through the use of CCs, then the current year is the last year you can take advantage of the higher limits.

### Footnote

from 1 July 2018, individuals will have the ability to "catch-up" on their CCs where their total superannuation balances were less than \$500,000 as of 30 June in the previous financial year. This can be done by utilising previous "unused" CC cap amounts from the previous five years.

### Non-Concessional Contributions (NCCs)

From 1 July 2017 the new annual NCC cap will be \$100,000 (down from \$180,000) which in turn changes the 3 year bring forward rule to \$300,000 (down from \$540,000). The 3 year rule can be taken advantage of providing the individual is under age 65 and the balance of the total superannuation accounts is under \$1.6m as at 30 June 2017. Where total balances exceed \$1.6m, no NCCs will be permitted. Where total balances are under \$1.6m, an individual can only use the bring forward rule to the extent that their super balances stay below the \$1.6m threshold.



## GTP Tid Bits

- ❖ Wishing Kayla Hawker and the Telangaturk A special team all the best for the upcoming finals series!!
- ❖ Well done to Ross Laycock who won the twilight 100 UP Warracknabeal Golf & Bowls Club event.



## Social Media For Business

Ryan Schirmer

In today's world we seem to be always looking at a screen, phones, computers, etc. and a major part of that screen time is on social media. The internet age has created an amazing opportunity as now you can advertise to a wider audience of potential customers, however this also means that every other business has the same chance as well. So only having a snazzy website will only get your business so far, you need to have an online presence and the best way to do this is effectively use social media and the following are some tips to help utilise social media in your business:

1. **Set Goals:** What is it you hope to achieve with social media? Do you want to attract new customers? Build better relationships with existing customers? Or showcase what you do? If you have a clear goal in mind, then you can start using social media to attain that goal.
2. **Work out what platforms will suit your business:** Some platforms will work better for different businesses. A service based business may not feel that uploading to Instagram will reach its goals, whereas may find the benefits in share information in videos of YouTube. Be aware of what each social media platform does and how you can best use it.
3. **Be Active:** It's all well and good to set up a Facebook page, however, to obtain traffic through it, you must be actively on there. By using engaging posts, informative articles or funny pictures of cats, whatever it takes to get your audience to your page and engage with them can only be done by being active on social media.
4. **Link your platforms:** Got multiple social media platforms, be sure to link them to each other and your website. This way you can engage with your audience using a wide variety of tools at your disposal.
5. **Encourage Feedback:** Social media is a great method of asking your customers for feedback or a review. It never hurts to ask, this provides an indication of what you're doing right. Plus reviews left on your Google page will help boost your rank in a Google search.
6. **Be Always Ready for Negative Feedback:** You are not always going to get nice reviews, users are more likely to review a bad experience than a good, but do not delete a bad review! A bad review can be seen as an opportunity to improve, counter offer and show your followers that you are customer focused and reactive, besides its looks awful on a business that hides negative feedback.

It may seem like a daunting task getting all this up & running and managing your business' social media accounts. It isn't that difficult at all, all you need is a bit of time and some creativity and you can start now.



## When To Update Your Business Details

Kylie Millington

Regularly updating your business details is important and should not get neglected. If your business details do change it is a requirement by law to notify the Australian Business Register within 28 days. These changes include;

- ❖ Postal, email or business addresses
- ❖ Associates
- ❖ Main business activity
- ❖ Australian Company Number (CAN) or Australian Registered Body Number (ARBN)
- ❖ Public officer (this must be in writing and include the public officer's name and a contact address)
- ❖ Name of trustees

### Other changes that the Australian Business Register should be notified about:

- ❖ entity name or registered business name (registered with the Australian Securities & Investments Commission)
- ❖ authorised contact person
- ❖ financial institution account details.

This information is used to update the ABR. Other government agencies may be notified of these changes when there is authorisation to do so.

### You can update your business details via:

- ❖ over the phone
- ❖ online through the Australian Business Register or Business Portal
- ❖ by lodging a form – order the Change of registration details form (NAT 2943) using the online publication ordering service for business
- ❖ through your registered tax agent or BAS agent

Please note that only authorised contacts can contact the above on your behalf.

Please feel welcome to contact our office for assistance if your business details have changed and you need help updating them.



## GTP Anniversaries

### March

- ❖ Penny Fisher (16 years)
- ❖ Natasha Gardner (15 years)
- ❖ Kylie Millington (1 Year)

### May

- ❖ Hannah McIlree (3 years)



## Farm Management Deposit Interest Offsets

**Rohan Brown**

The Australian Taxation Office as of 1st July 2016 introduced the ability to use Farm Management Deposits (FMD's) as an interest offset against farm loans. The biggest benefit of such a scheme is seen where the interest rates on the FMD is less than the rate of interest being charged by the bank. In such cases you are paying the bank more in interest than you are receiving.

To date we have had discussions with Rural Finance/Rural Bank about their recently released 'FMD Offset Account' which only came into effect before Christmas. We are also aware that the ANZ are soon to offer a similar package, but to date, this is yet to be implemented. From discussion with other organisations that hold FMD's we are also aware they have been considering their approach to providing similar facilities. We will be endeavouring to keep abreast of the progress of the banks offerings and notify via social media etc. as we learn more.

Before you run out ready to make FMD offsets there are a few things to be aware of. The following are all points based on the product offered by the Rural Finance Corporation, but we would expect similar conditions with the various institutions.

- ❖ The owner of the FMD must be a Sole Trader or Partner in a Partnership
- ❖ If the loan is in the name of a Trust, Company or non-FMD holder, it will not be eligible
- ❖ A Trust or Company can be a partner in a partnership that holds the loan
- ❖ Can only be offset against variable rate loans
- ❖ The loan must wholly be related to the primary production business, if not penalties apply.
- ❖ A FMD can only be offset against one loan, but a loan can have many FMD's offset against it
- ❖ The offset is calculated at month end (be aware if you withdraw the FMD mid-month)
- ❖ If your FMD amount exceeds the balance of the loan, you do not accrue interest on the excess

One matter alluded to in the information booklets and from discussions with the financial institutions is that the offer is at their discretion, meaning that just because you want to take out an offset the bank may not accept it. An example of

this may be where the FMD held effectively negates the loan balance and in effect results in zero net interest for the bank. In this case the bank would not be making acceptable return on the funds being advanced and may therefore limit the amount of offset on offer.

So where to now? If you bank with Rural Finance/Rural Bank or ANZ go and talk to your bank manager. If you are with another financial institution seek out your manager and ask them directly if their bank offers the FMD offset package and if not, will they be offering such a package soon. If your bank is not offering the ability to offset, you may then wish to consider your options, which may not be as easy as just moving a loan due to security being held to support existing loans.

Most importantly talk to your Accountant and verify your current tax position and the position of any existing FMD's.



## 19th Annual GTP Client Golf Day

**Friday 24th March 2017**

Our client Golf Day is for you! A free day of Golf, Nibbles and Drinks on us to thank you for your support. Plus a Charity Raffle with a grand prize of a 4 night stay at the beautiful Blue Seas Resort, Broome!

If you have not received your invite but would like to attend please contact GTP for further information about the day.

If you have received your invite but are yet to RSVP please remember places are limited!



## Sending Tax Or BAS Documents To Us

**Sally Hateley**

How do you send your tax or BAS documents to us?

There are now quite a lot of places that will email your information to you eg. bank statements, dividend information or receipts for deductions. Instead of printing all of this information out and holding onto it until the end of the tax year or the end of the quarter why not simply forward the email direct to the team at Green Taylor Partners and we can put the documents straight in your file.

Alternatively if you use our Client Portal you can upload documents straight to your portal and your accountant will have immediate access to them from there.

You can either send your documents directly to your accountant or to the GTP email address [email@greentaylor.com.au](mailto:email@greentaylor.com.au)

If you have any questions about the Client Portal or would like to go on it just have a chat to your accountant about it.



## Check Your Car's Speedo - Fringe Benefits Tax (FBT)

**Tracy Richardson**

The 31st March marks the end of the FBT year.

We will shortly be sending mail-outs to clients of whom we are aware that FBT may apply to. In the meantime, could you please highlight the date on your calendars and record the speedo readings of all cars as at the 31st March 2017. This can be as simple as taking a photo of your cars odometer's on your mobile phone or jotting it down.

We will also be looking for copies of any new car tax invoices for cars acquired in your business between the period 01/04/16 - 31/03/17.



## Tax Planning Or Planning For Less Tax?

**Natasha Gardner**

As 30 June 2017 is approaching, it is now critical for all clients to be assessing their year-end tax planning.

We recommend that you meet with your accountant, who will advise you on clear strategies that could be implemented in the remaining months of the financial year. It is important that this process is not left too late – you may need to allow plenty of time to implement any positive strategies.

Below we have listed some tax planning strategies that can be considered:

- ❖ Income Timing:
- ❖ Prepayments:
- ❖ Bad debts:
- ❖ Depreciation claims:
- ❖ Trading stock review:
- ❖ Farm Management Deposit (FMD):
- ❖ Concessional Superannuation Contributions:
- ❖ Gifts and donations:

To undertake tax planning the following information needs to be provided to your accountant:

- ❖ Ensure record keeping is up to date.
- ❖ Estimate income and expenditure to year end.
- ❖ Estimate stock and produce that will be on hand at 30 June.
- ❖ Provide details of plant purchases/sales for year – actual and planned.



## Important Dates

### March

- ❖ 21st Lodge & Pay February activity statement
- ❖ 24th GTP Golf Day (office closed from 11am)

### April

- ❖ 21st Lodge & Pay March activity statement.
- ❖ 21st Lodge and pay quarterly PAYG instalment activity statement for quarter 3, 2016–17

### May

- ❖ 15th Due date to lodge tax returns
- ❖ 21st Lodge & pay April activity statement
- ❖ 28th Pay Fringe benefits tax annual return.



## Employee Entitlements To Public Holidays

**Shane Bryan**

**Pay the correct entitlements when your staff work on a public holiday.**

**Employees are entitled to public holidays.**

Public holiday entitlements form part of the National Employment Standards (NES) that underpin employment in Australia.

Full-time and part-time employees who are absent from work because of a public holiday should be paid their base rate of pay for the hours they would otherwise have worked (this does not include incentive-based payments, bonuses, loadings or monetary allowances).

You may request an employee to work on public holidays if the request is reasonable. However, an employee may refuse the request if it is not reasonable or if the refusal is reasonable.

To determine whether a request is reasonable, the employer needs to take into account a number of matters, including:

- the nature of the business
- the employee's personal circumstances, such as family responsibilities
- the amount of notice given.

Further details can be found at the Fair Work Ombudsman website <https://www.fairwork.gov.au>

### Public holiday entitlements for staff

#### Staff working on a public holiday

If you are employing staff on a public holiday, the employee may also be entitled to penalty rates for each hour worked on that day or time off in lieu or equivalent time added to their annual leave in respect of each hour worked on that day.

Employees are not entitled to payment if the public holiday falls on a day that they do not normally work. Casual employees will not enjoy any entitlement if they do not work on a public holiday.

The Fair Work Ombudsman website <https://www.fairwork.gov.au> gives more information about public holidays and employee entitlements, including rates of pay.



## 2016/17 Farm Business Concessional Loan Scheme

**Jess Sluggett**

On 1 November 2016 applications opened for the latest round of Australian Government drought concessional loans. Eligible applications have access to loans for the restructure of existing eligible farm debt, working capital for operating expenses and for investing in drought-preparedness and recovery activities.

The maximum loan amount available is \$1,000,000, capped at 50% of the farm business debt, with the interest rate currently being 2.47% (variable). The maximum term is ten years for this round of loans. Rural Finance is the facilitator of the concessional loans in Victoria.

Applications for concessional loans close 30 June 2017, or earlier if loan funds are exhausted.

To find out more visit <https://goo.gl/K4uvlp> or contact the Rural Financial Counselling Service Horsham on (03) 5381 1646.

### Farm Household Allowance

With harvest all but finished up, now is a great time for recipients of the Farm Household Allowance to review income estimates with Centrelink to avoid potential overpayments.

Where Farm Household Allowance payments are made in excess of eligibility the overpayment will need to be paid back to Centrelink.

For assistance with revising income estimates contact the Rural Financial Counselling Service Horsham on (03) 5381 1646.



## GTP Birthdays

- 30th March - Kerry Schultz
- 31st March - Daniel Blay
- 10th April - Kylie Fiedler
- 22nd April - Chris Foster
- 23rd April - Jodie Mills
- 30th May - Penny Fisher



## Car Savings At Tax Time

**Tracy Richardson**

New vehicles are fun and can provide great satisfaction. They can also be expensive to operate. To get the most tax benefits from your new car we highly recommend keeping either a log book app on your phone (fleetcare app) or a paper log book (which GTP can provide) to track the business use of your car. To demonstrate the benefit:

Harry buys a Kia Sorrento on 01/07/16 for \$55k excl. of stamp duty.

He expects to drive 15,000kms annually and his log book indicates 50% business use.

His annual running & holding costs at a minimum are:

<b>Fuel</b>	\$1,600 (15,000 * \$1.20 * 10L / 100km's)
<b>Registration</b>	\$675
<b>Insurance</b>	\$600
<b>Depreciation</b>	\$7,500 (\$50k * 15% for 1st year, 30% for subsequent years until written off)
<b>Total costs</b>	\$10,375

As an employee, sole trader or partnership Harry's claims would be:

	Non-log Book Users	Log Book Users (50% business)
<b>Tax deductions</b>	\$3,300 (5,000km's @ 33c)	\$5,185 (\$10,375 @ 50%)
<b>GST deductions (if registered)</b>	\$1,052 (includes gst on purchase of vehicle)	\$2,631 (includes gst on purchase of vehicle)
<b>Total claims</b>	<b>\$4,052</b>	<b>\$7,816</b>

If Harry operated as a trust or company his claims would be:

	Non-log Book Users	Log Book Users (50% business)
<b>Tax deductions</b>	\$375 (\$10,375 less \$10k (20% presumed private use of cost base of car))	\$5,185 (\$10,375 @ 50%)
<b>GST deductions (if registered)</b>	\$4,090 (includes gst on purchase of vehicle)	\$4,618 (includes gst on purchase of vehicle)
<b>Total claims</b>	<b>\$4,465</b>	<b>\$9,803</b>

Per the numbers, the log book, providing it is at least 50% wins out each time.

A Log book requires that business trips km's (no need to record private trips) be recorded for 12 continuous weeks. The resulting business % will last for 5 years providing the business use does not vary by more than 10%.

### Note

The Fleetcare app can be downloaded from the app store or google play or visit <http://fleetcare.com.au/news-info/logit-app>



## Fuel Tax Credit Rates

**Natasha Gardner**

Fuel tax credit rates have increased from 1 February 2017. Fuel tax credit rates are indexed twice a year, in February and August, in line with the consumer price index (CPI).

Use the latest rates to make sure you claim the full amount you are entitled to.

### How to check the rates and calculate your claim

The ATO fuel tax credit calculator contains the latest rates and is simple, quick and easy to use.

You can use it to work out the fuel tax credit amount to report on your business activity statement (BAS).

Below is quick summary of the rate changes for Diesel and Petrol:

	On Road Vehicles	Off Road Equipment
<b>1 February to 30 June 2017</b>	14.2c/litre	40.1c/litre
<b>1 August to 31 January 2017</b>	13.7c/litre	39.6c/litre



## Lawn Bowls

GTP have entered a team in the Coughlin Park lawn bowls social competition which is played with teams of three over a four week period. Quite a few team members put their hands up to play and therefore our team changes from week to week. It has been a great fun experience with the team getting the chance to network with other businesses from around town.

## Understand what is driving your farm business performance

- ▶ Will this year's big production result in big profit?
- ▶ How will this year impact on my equity position?
- ▶ Is my level of farm machinery right for my farm scale?
- ▶ How do my chemical & fertilizer costs stack up?

This last production season is being regarded as the best in a very long time for many people. In years like this – it is an opportune time for business managers to review and see what went right and what can be fine-tuned.

Ag Profit has been working with clients of Green Taylor partners for many years to bring professional farm performance analysis reporting to growers. So if you want to be on top of your game and know how your performance compares with those around you contact Ag Profit:

☎ 03 54442600 ✉ [info@agprofit.com.au](mailto:info@agprofit.com.au) 🌐 [agprofit.com.au](http://agprofit.com.au)

 Ag Profit

Simply good business practice



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