



2021 SEPTEMBER

Quarterly Newsletter

Green Taylor Partners



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CAN BUSINESS LOSSES BE CLAIMED AGAINST OTHER TAXABLE INCOME?

PAGE 2



Can Business Losses be Claimed Against Other Taxable Income?

Matt Richardson

The simple answer is.....it depends!

Normally you cannot claim a loss for a business that is little more than a hobby.

First question you need to answer is "Are you actually in business?" The ATO have some excellent material on their website to help with this.

https://www.ato.gov.au/business/starting-your-own-business/before-you-get-started/are-you-in-business-/

Once established that you are in fact running a business, if this activity makes a loss, you will have two options:

- 1. Offset the loss against your other income, such as wages, investment income, etc; or
- Defer the loss to offset against future profits from the same business.

Excepted Activities

If your loss-making business is in primary production or the professional arts AND your assessable income from other sources is under \$40,000 (excluding any net capital gain), you can offset the loss against other income.

\$250,000 Income Threshold

Even if all other tests are satisfied, if a taxpayer's income is \$250,000 or more, the loss must be deferred. The income threshold includes taxable income, total reportable fringe benefits, reportable superannuation contributions and net investment losses.

Four Tests

If you meet the income requirement you must also pass one of four tests in order to be able to offset the business loss against your other income.

- 1. Assessable Income Test gross earnings from the business activity (which can include the sale of depreciating assets) must be at least \$20,000 during the financial year.
- 2. Profits Test the activity must have made a taxable profit in 3 out of the past 5 years.
- 3. Real Property Test Real property of at least \$500,000 (market value or reduced cost base) is used in your business activity on a continuing basis. Real property includes land, structures such as buildings, which are fixed to that land and interests in that property (such as a lease of that property).

4. Other Assets Test – other assets with value of at least \$100,000 are used in your business on a continuing basis. This includes plant & equipment, trading stock, assets that are leased from another entity, trademarks, patents & copyrights.

Commissioner's Discretion

If you cannot meet any of the four tests you can apply for Commissioner's discretion from the ATO, if there are either special circumstances outside of your control or, there is a lead time period before the business can meet any of the four tests.



Looking after Family, Employees & Friends Ross Laycock

I recently attended a two day workshop at the Horsham Neighbourhood House.

This workshop was run by Wimmera Primary Care Partnership (W.P.C.P.) and titled "Standard Mental Health First Aid".

The aim of the program is to extend the concept of first aid training to include mental health problems.

It also gives participants a guide on how to provide "initial" support to someone who is developing a mental health problem or experiencing a mental health crisis.

The idea is to have more people in the community with improved knowledge and skill to help reduce stigmatised attitudes and increase first aid actions toward people with mental health problems.

The workshop focused on a number of main topics:

- Mental illness
- Depression
- Anxiety
- Psychosis
- Substance Use problems

The course was designed to teach how to recognise symptoms of different illness and how to guide a person towards appropriate treatments and other supportive help.

There are many resources available to people in need, many of which are listed on the W.P.C.P. website.

After completing the course you are invited to complete a short online questionnaire in order to obtain a certificate of accreditation in mental health first aid.

APPLICATION FOR ABN | CHANGES TO PERSONAL INCOME TAX RATES

PAGE 3



Application for ABN Jodie Mills

We are often requested to apply for an ABN for clients, which we are more than happy to oblige in assisting with.

However, many taxpayers are more than happy to have a go at applying for their own ABN. To apply for an ABN go to www.abr.gov.au. We recommend this be the only website use to apply to avoid giving your personal details to a third party. The other reason is that there are many companies that come up when you Google to 'Apply for ABN' who then charge for the service, which is a free service from the ATO.

How to apply

The ABN is a unique 11 digit number that identifies your business or organisation to the government and community. From the homepage www.abr.gov.au of the ABR, click on apply for an ABN and follow each step making sure to answer all the questions.

Processing your application

Your application will be processed faster if the ATO can identify you from the information you provide, such as your tax file number.

If you don't have all the information now, you can still start your application and save it as you go, but the issuing of your ABN is likely to be delayed.

A successful application

If your application is successful:

- you'll receive your 11-digit ABN immediately
- you should print or save the confirmation of your ABN and ABN details
- you can immediately apply for other business registrations, such as GST
- your details will be added to the Australian Business Register (ABR). You can request that certain details not be disclosed should you have privacy concerns
- it's now your responsibility to keep your details up to date

If you receive a reference number it may mean we need to check some details in your application or more information is needed. We aim to review your application within 20 business days and contact you if further information is needed.

You can check ABN LookupExternal link at any time to see if the ABN has been successfully processed. If the application is processed successfully after our review, a letter confirming your ABN and ABN details will be sent within 14 days.



Changes to Personal Income Tax Rates Emma Koschitzke

Some positive news to come out of the 2021-2022 Federal Budget was the Government's announcement to create some tax relief for Australian residents by increasing income tax brackets.

However, these changes will not take effect until 1 July 2024.

Current Personal Income Rates - 2021-22

Taxable Income	Tax on this income
0 - \$18,200	Nil
\$18,201 - \$45,000	19 cents for each \$1 over \$18,200
\$45,001 - \$120,000	\$5,092 plus 32.5 cents for each \$1 over \$45,000
\$120,001 - \$180,000	\$29,467 plus 37 cents for each \$1 over \$120,000
\$180,001 and over	\$51,667 plus 45 cents for each \$1 over \$180,000

Proposed Personal Income Rates - 2024-25

Taxable Income	Tax on this income
0 - \$18,200	Nil
\$18,201 - \$45,000	19 cents for each \$1 over \$18,200
\$45,001 - \$200,000	\$5,092 plus 30% for each \$1 over \$45,000
\$200,001 and over	\$51,592 plus 45 cents for each \$1 over \$200,000

Example

	Taxable Income	Tax payable
2021-22	\$60,000	\$9,967
2024-25	\$60,000	\$9,592
	TAX SAVING	\$375



GTP Birthdays

- 18th October Kayla Hawker
- 22nd October David Hadley
- 24th October Georgia Francis
- 30th October Malory Ryan
- 16th November Natasha Gardner
- 24th November Emma Koschitzke

CHANGES TO CASUAL EMPLOYEE ARRANGEMENTS

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Changes to Casual Employee Arrangements Ross Laycock

On Friday 26 March 2021, sections of the Fair Work Act relating to casual employees were amended. These changes came into effect on Saturday 27 March 2021.

It is very important that employers are aware of these changes.

Following is an extract from the Fair Work Ombudsman statement summarising these changes.

What is a casual employee?

A person is a casual employee if they accept an offer for a job from an employer knowing that there is no firm advance commitment to ongoing work with an agreed pattern of work.

For example, if an employee is employed as casual, their roster changes each week to suit their employer's needs, and they can refuse or swap shifts, that could mean they are casual.

Specifically, under the Fair Work Act, a person is a casual employee if:

- they are offered a job
- the offer does not include a firm advance commitment that the work will continue indefinitely with an agreed pattern of work
- they accept the offer knowing that there is no firm advance commitment and become an employee.

No firm advance commitment

There are only 4 factors that determine whether an employer's offer doesn't include a firm advance commitment. They are:

- whether the employer can choose to offer the employee hours of work and it's the employee's choice to work or not
- whether the employee will be offered hours of work when the business needs them to work
- if the employment is described as casual
- if the employee is paid a casual loading (a higher pay rate for being a casual employee), or a specific pay rate for casual employees.

When does an employee stop being a casual?

Once someone is employed on a casual basis, they continue to be a casual employee until they either:

- become a permanent employee through:
- casual conversion, or
- being offered and accepting an offer of full-time or parttime employment, or
- stop being employed by the employer.

How is casual different to full-time or part-time?

- Full-time and part-time employees have an advance commitment to ongoing employment. They can expect to work regular hours each week. They are also entitled to paid leave and and must give or receive notice to end the employment.
- Just having a regular pattern of work doesn't mean an employee is permanent (full-time or part-time).

What do casual employees get?

Under the National Employment Standards (the NES), casual employees are entitled to:

- access a pathway to become a permanent employee
- 2 days unpaid carer's leave and 2 days unpaid compassionate leave per occasion
- 5 days unpaid family and domestic violence leave (in a 12-month period)
- unpaid community service leave.

Casual employees can request flexible working arrangements and take unpaid parental leave if:

- they have been employed by their employer as a casual employee on a regular and systematic basis over at least 12 months
- they reasonably expect to continue being employed by the employer on a regular and systematic basis.

Under awards and agreements, casual employees are also paid a casual loading (a higher pay rate for being a casual employee), or a specific pay rate for being a casual employee.

Casuals don't get paid days off, notice of termination or redundancy pay, even if they work regularly for a long time. In some states and territories long serving casuals are eligible for long service leave.

Changing to full-time or part-time employment

A casual employee can change to full-time or part-time employment at any time if the employer and employee both agree to it.

Under the NES, casual employees have the right to access a pathway to become a permanent full-time or part-time employee, in some circumstances. This is also known as 'casual conversion'.

Casual Conversion

The NES has been amended to include an obligation for employers to offer permanent employment to some casuals and a right for some casuals to request permanent employment from their employer.

Some casuals may already have rights under a modern award or enterprise agreement relating to conversion to permanent employment.

Offer by the employer

If a casual employee (as defined above) meets the following conditions (Offer Conditions):

 has been employed for a period of 12 months (Qualifying Period); and





CHANGES TO CASUAL EMPLOYEE ARRANGEMENTS CONT | FINANCIAL LITERACY

PAGE 5

- for at least the last 6 months, worked a regular pattern of work on an ongoing basis (the "6 month condition"); and
- could continue working the same pattern (without significant adjustment) on a full-time or part-time basis, the employer must, within 21 days of the end of the Qualifying Period, make the casual a written offer (Employer Offer) of either full-time or part-time employment (depending on their hours worked during at least the past 6 months). This does not apply to small business employers (less than 15 employees)

Getting it Right

For more detail on casual employee entitlements refer to the Fair Work Ombudsman or the Fair Work Act websites.



Financial Literacy David Hadey

Recently I read a great post on Facebook by Ric Payne in relation to financial literacy.

Ric mentions that he was talking to a friend and that they were looking at buying a rug. The retailer was offering interest free terms, however there was a small monthly fee of \$8.95, hardly \$2.00 per week. The monthly payment based upon the item they were looking at for \$1,249.00 was only going to be \$29.77 per month.

It was suggested that they would be paying hefty interest on the item. But the potential purchaser stated that it was an interest free offer and there was only a small monthly fee.

In the example above, the payments were to be over 60 months making the total repayment \$1,786.00. This is \$537.00 more than the advertised price. This additional amount equates to 15.09%.

This post from Ric was timely as I was looking at updating my phone (it has been through countless conflicts with the concrete path and has lost its capacity to include anything new – a bit like me). This inspired me to see if 'interest free' terms were available. Low and behold I could get a new phone on interest free terms, a 1000 days in fact which certainly sounds a lot longer period than 60 months (sic). However this offer also had a service fee for of \$8.95 per month which over a 1000 days would total an additional \$300.00 approximately.

These offers appear quite regularly and are often taken up in most cases. Its interesting that as Ric points out in his post the lack of financial literacy we have and is something that we should have instilled in us from a young age.





We welcome Ryan to the ownership group

Green Taylor Partners are pleased to welcome Ryan Schirmer as a Director and part of our ownership group.

Ryan has been with Green Taylor Partners since 2010 and started as part of our cadetship program. During his time with us, he has completed his Bachelor Degree in Commerce and studied to become a Chartered Accountant. Ryan has developed strong relationships with his clients and has developed a keen interest in the use of cloud technology. Ryan holds the mantra 'I'm here to help wherever I can'. This involves assisting clients with their day to day operations, software support, and helping clients achieve their goals with all facets of taxation & business advice.



3 IMPORTANT POLICIES FOR CUSTOMER SERVICE | ACCOUNTING JARGON BUSTER CONTINUED...

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3 Important Policies for Customer Service David Hadley

There are three basics to excellent customer service.

Smile

Service with a smile may sound like a cliché, but it works. Your team will be remembered all the more if, apart from being polite and helpful, they are cheerful and friendly.

Be eager to please

If a customer's request is not a straightforward one, be sure to convey your eagerness to help. The receptionist or sales assistant who sighs loudly in any response to a query, or gives the standard answer "I don't know," or "If it isn't out, we haven't got it," will drive customers to the nearest competitor who does.

Encourage initiative

Train your team to be aware of opportunities to turn tentative queries into sales. In other words seize the chance to promote your company wherever you can. With competition between companies becoming ever fiercer, effective team training to encourage excellent customer service will only pay off. Contact us to learn how we can help you introduce a customer service strategy that will keep them coming back time and time again.



Accounting Jargon Buster Continued...

Emma Koschitzke

Continuing on from last quarters newsletter, here are some more jargon busters to help you along your accounting way...

Accounts Payable/Creditors

Money you owe to other businesses (creditors). The payment of money to another business/company for the sale of their goods or services to you.

Accounts Receivable/Debtors

Records of any money that another business/company owes your business for the sale of your goods or services.

Balance Sheet

Summary of a business or company's financial status, including assets, liabilities, and equity at a spefiic date.

Profit & Loss Statement (P&L)

A financial statement used to summarise the business's revenue and expenses over a given time period.



GTP Anniversaries

- 18th September Kerry Schultz (15 years)
- 3rd November Daniel Blay (12 years)

Word Search

Towns of the Wimmera/Mallee.

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MINIMUM WAGE INCREASES | ATO FUEL REBATES CHANGES

PAGE 7



Minimum Wage Increases Natasha Gardner

Each year, the Fair Work Commission reviews both the National Minimum Wage and minimum pay rates under awards (Annual wage review). Most changes begin on the first full pay period on or after 1 July.

For most employees, the minimum wage is set by the award that covers their industry or occupation. Awards cover many different industries and occupations so it's important to get it right.

Effective from 1 July 2021, the minimum wage increased by 2.5% as well as updated to superannuation and changes to some terms and conditions in several awards.

As of 1 July 2021, the national minimum wage is \$20.33 per hour or \$772.60 per 38 hour week.

Different types of minimum wages

Some employees have a different minimum wage depending on their employment type, age or work capacity:

- Apprentice and trainee pay rates
- Junior pay rates
- Employees with disability pay rates.

The Fair Work website has a Pay and Conditions Tool to calculate the minimum pay rates, penalties and allowances that apply to your award.

https://calculate.fairwork.gov.au/FindYourAward





Introducing Tilak Khatri

Hello everyone, my name is Tilak Khatri, one of the new graduate accountants at Green Taylor Partners.

I love travelling and learning about new places. I love going on long drives or a short hike to a lookout for a good view. I came to Australia from Nepal in 2008. I lived in Darwin for 9 years and in Sydney the past couple of years. As odd as it may sound, I have always made more friends in small towns than big bustling cities. And it is not looking different this time either.

Joining the GTP team has given me the glimpse of how closely knit a town we have here in Horsham. And I wish to be a part of it for years to come.

Please let me help you with what I love doing i.e. assisting you with your accounting work while you look after your businesses. I would love to meet you in the office, assist you with your queries or just have a catch up.



ATO Fuel Rebates Changes Mallory Ryan

The ATO have updated the Fuel Rebate Rates from 2 August 2021 in line with the consumer price index (CPI).

Vehicle Type	Rate
On Road Vehicle (GVM more than 4.5 tonne)	16.9
Off Road Vehicles	43.3

The ATO also provide a Fuel tax credit calculator which helps you calculate your fuel rebate each quarter. This can be found at www.ato.gov.au



Important Dates

September

21st - Lodge and pay August 2021 monthly BAS

October

- 21st Lodge and pay September 2021 monthly BAS
- 28th Lodge and pay quarter 1 2021-22 activity statement
- 28th Super Guarantee contributions for Quarter 1 due

November

21st - Lodge and pay October 2021 monthly BAS

REDUCE DIGITAL DISTRACTIONS | VICTORIAN PAYROLL TAX

PAGE 8



Reduce Digital Distractions Ryan Schirmer

The information age we live in is fantastic; need to look up the closest restaurant: Google it. Need to get instructions on how to do anything; Look it up on YouTube. Want to know what your Friends & Family are up to; Facebook them. However, with all this excellent information at our fingertips 24/7 365, when its time to buckle down and get some work done, the temptation is always lingering to drag us away from work to check a message, to check emails, to watch videos that have nothing to do with what you're actually doing.

When interrupted or distracted by phones, emails or everything else, we not only lose the time that we are reading or watching the distraction, but it also takes more time as you realise you've been distracted, shake your head and say to yourself, 'Wait, what was I doing again?' and try to refocus on your task.

The following are some handy tips to help you remove some of these distractions and be a bit more productive with your time:

- Take control of your notifications: Like most people, every time my phone pings or a pop up is on my computer, the temptation to see what it is, more often than not wins, and usually, all it is, is a notification to say an app. needs updating or something else that isn't very important. By cleaning up notification setting on these apps, reduces the number of times your device will ping, therefore reducing the time you'll look at it, meaning you can stay focused for longer.
- Set timed breaks to improve productivity: If you stay focused on a task for hours and hours, the likely result is you'll burn out your mind, lose focus, and will end up unproductive. A good idea to avoid this is to schedule timed breaks to slow your brain down, check a couple of emails, look at social media, etc. The trick is to set time limits for these breaks so you don't get sucked in and not get back into what you need to do.
- Controlled Digital Black Out: This one is a go-to if I really need to get something done. Phone either gets turned off or put on silent & put in a draw, emails & other apps are logged out and closed. Removing all forms of digital distractions from view can significantly increase productivity.

We're all human, and our mind will tend to wander, so hopefully, these tips can help limit digital distractions from taking up your valuable time.



Victorian Payroll Tax Ross Laycock

Who pays?

You or your group of employers pay this state tax if you pay wages in Victoria and your Australian wages exceed certain thresholds.

The tax-free annual threshold for 1 July 2021 to 30 June 2022 has increased to \$700,000, with a monthly threshold of \$58,333.

The annual threshold is adjusted if you are not an employer for a full financial year.

The payroll tax rate is 4.85% except for regional Victorian employers.

Regional Victorian employers

For 2021-22, the rate of payroll tax for regional Victorian employers has been reduced to 1.2125%. There is also a special payroll tax rate for businesses in bushfire affected local government areas.

The Victorian State Government have also announced further measures to assist Victorian businesses in these challenging times.

Coronavirus payroll tax relief

Waiving of 2020-21 and 2021-22 payroll tax after applying for New Jobs payroll tax credit

Eligible employers will be entitled to a waiver of their 2020-21 and 2021-22 payroll tax after applying the New Jobs payroll tax credit against their liability for each of the financial years (designated financial year).

Eligible employers will receive a credit of 10 cents for every dollar of Victorian taxable wages paid in the relevant designated financial year that are above the previous financial year's wages. The credit will be applied against the employer's payroll tax liabilities at the end of the relevant designated financial year. The waiver may partially or fully extinguish the payroll tax liability for an eligible employer for the designated year.

Please discuss with you accountant if you have any gueries.



GTP Tid Bits

We at GTP often (when Covid allows) hold little activities to raise funds which we like to donate to local charities or organisations. Recently another \$290 was donated to a very worthy local charity.



Team Building Day

Back on the 15th April, the team enjoyed a day out of the office to bond with each other. The team ventured to Roses Gap Recreation Centre.

Throughout the day the team participated in activities such as, facing their fears of heights on the giant swing, trusting in each other on the crate stack and testing their endurance (and balance) canoeing on the lake. The team had a wonderful day and would like to thank Drew & Lynda Sutherland and the team at Roses Gap for a wonderful day.









Introducing Mallory Ryan

Hi everyone! My name is Malory and I joined the GTP team in July this year as a Graduate Accountant.

I grew up in Horsham and then after finishing school, moved to Ballarat to study at Federation University. After a few years of uni life and studying hard, I have now completed a Bachelor of Commerce and am happy to be back in Horsham with lots of my family and friends. At home I've got two dogs which I love to get out and about with on the weekend.

I've only been with Green Taylor Partners for a short time but am really enjoying working with the team and learning a lot. I look forward to continuing to develop new skills and assisting our clients.

Word Search Answers



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