2025 MARCH

Quarterly Newsletter

Green Taylor Partners

This edition

Also in this issue

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TID BITS

We welcome Jo-Mari Pretorious to the GTP team as our newest admin officer. Jo-Mari commenced early January. You will see Jo-Mari at our front desk on reception. We are excited to have Jo-Mari on board to help with anything admin and making our clients feel welcome on arrival.

We also welcome Breanna Bell to our accounting team. Breanna commenced with us on 17th of February in the role of Graduate Business Services Accountant. We are thrilled to have Breanna join the team.

IMPORTANT DATES

March

21st – monthly BAS due for lodgement.

April

21st – March quarter PAYG IAS due for lodgement and payment.
21st - March monthly BAS due for lodgement and payment.
28th – Pay Super Guarantee for March quarter.
28th – March quarter BAS due for lodgement and payment.

May

15th - Due date for lodgement of all tax returns not already lodged.
21st – April monthly BAS due for lodgement and payment.

GTP Team building

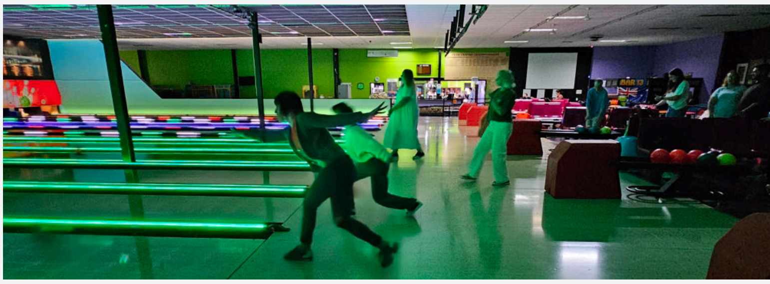
March 2025 Field days afternoon.

As most of you would be aware we close the office for the afternoon on the Wednesday of the Wimmera Machinery Field Days to enable the team to gather for a team building event.

This year we went out for lunch as a group to the Exchange Hotel where the hospitality and meals were fabulous.

We then moved onto ten pin bowling at Horsham Lanes and Games and there was a lot of fun, banter and laughs with a little (maybe a lot) of competition.

It was a great afternoon had by all the team.



Super Guarantee Percentage update.

The super guarantee percentage is increasing to 12% as of 1 July 2025

Tax Planning

Kathryn Hamilton

As much as it sucks, tax is a part of life and I am sorry to say but it isn't going anywhere!

To reduce it, you could be doing some forward planning to make informed financial decisions. Everyone can benefit from tax planning from the biggest business to an individual.

WHY IS TAX PLANNING IMPORTANT?

You want to maximise your deductions but are you up to date with all Tax Legislations?

The Tax legislation is constantly changing, and it can be hard to keep up with all the latest updates. Tax planning helps ensure that you stay compliant by minimizing your tax liability and maximising any deductions. You may be missing out on deductions you didn't know you were eligible for.

Do you want to plan for yours and your businesses future?

Tax planning isn't just about this year's taxes; it's also about planning for the future. By making smart decisions now, you can set yourself up for a lower tax bill in the years to come.

Do you want to avoid that 'SURPRISE' tax bill?

Have you ever received an unexpected tax bill and wondered where it came from? With tax planning, you can avoid those nasty surprises. By staying on top of your finances and cash flow throughout the year, you'll know exactly what to expect come tax time.

Tax planning is an important part of running a successful small business. By following some tips, you can minimise your tax liability and maximise your cash flow before the end of the financial year. However, you should always consult your tax agent before making any tax-related decisions, as we can provide you with tailored advice based on your specific situation and goals.

Remember, the goal of tax planning isn't to avoid paying taxes altogether; it's simply to pay your fair share while keeping as much money in your pocket as possible.

TAX PLANNING TIPS

Timing of Invoicing

One of the simplest ways to reduce your taxable income is to delay issuing invoices until after 30 June. This way, you can defer the income and the tax payable to the next financial year. However, this strategy may not suit your cash flow needs, especially if you have outstanding bills or debts to pay. Therefore, you should consider the timing of your invoicing carefully and weigh the benefits and costs of postponing your income.

Write Off Bad Debtors

If you have any customers who owe you money and are unlikely to pay, you can write off their debts as bad debts and claim a tax deduction. However, you need to make sure that you have taken all reasonable steps to recover the debt, such as sending reminders, making phone calls, or engaging a debt collection agency. You also need to write off the debt in your books before 30 June and have evidence to support your decision.

Pre-Payment of Expenses

Another way to lower your taxable income is to pre-pay some of your business expenses for the next financial year, such as rent, insurance, subscriptions, or interest. You can claim a tax deduction for these expenses in the current financial year, as long as the service period is 12 months or less. However, you should only pre-pay expenses that are necessary and beneficial for your business, and not just for the sake of saving tax.

Review Stock on Hand

If you have any stock or inventory in your business, you should conduct a stocktake before 30 June and value your stock at the lower of cost, market value, or replacement value. This can help you reduce your taxable income by writing off any obsolete, damaged, or unsaleable stock. You should also review your stock valuation methods and choose the one that best reflects your business circumstances and profitability.

Other Matters

Besides the above tips, there are other matters that you should consider for your tax planning, such as:

- Claiming all the eligible deductions for your business, such as home office expenses, car expenses, travel expenses, depreciation, and donations.

- Utilising the instant asset write-off scheme, which allows you to claim a full deduction for the cost of eligible assets costing less than $20,000 each
- Contributing to your superannuation fund, which can help you save for your retirement and reduce your tax liability, subject to the contribution caps and rules.

Primary Producers

Some tax planning strategies that may be relevant for business entities in the primary production sector are:

- Opening a farm management deposit (FMD) account, which allows you to defer your taxable income from primary production activities in years of high income and withdraw it in years of low income. This can help you smooth out your income and tax liability over time. You can claim a deduction for the amount deposited into an FMD account, up to a maximum of $800,000, and pay tax on the amount withdrawn.
- Timing your income and expenses to suit your cash flow and tax position. For example, you may want to delay selling your livestock or crops until after 30 June to defer the income to the next financial year. However, you need to consider the impact of these decisions on your cash flow needs.
- Claiming accelerated depreciation on certain assets used in your primary production business, such as fencing, fodder storage and water facilities. These assets have an immediate deduction available on them.

Salary Sacrificing: A Smart Way to Boost Your Savings & Reduce Tax

Yishu Sharma

Are you looking for ways to minimise tax and maximise savings? Salary sacrificing could be the answer! Many Australians are unaware of how this simple strategy can reduce taxable income and build long term wealth.

What is Salary Sacrificing?

Salary sacrificing (or salary packaging) is an arrangement where an employee agrees to receive less take-home pay in exchange for pre-tax benefits. This reduces taxable income, potentially lowering the amount of tax paid.

Common Salary Sacrifice Options

1. Superannuation Contributions – Boost your retirement savings and take advantage of concessional tax rates (15%) instead of paying income tax (up to 45%).
2. Work-Related Expenses – Some employers allow salary sacrifice for laptops, professional memberships, and work-related expenses.
3. Education Costs – If offered by your employer, you may be able to sacrifice school/tuition fees

The Benefits of Salary Sacrificing

1. Lower Taxable Income – Pay less tax by reducing your assessable income.
2. Super Growth – Your retirement fund benefits from pre-tax contributions and compounding growth.
3. Financial Flexibility – Salary packaging allows better budgeting for major expenses.

Things to Keep in Mind

- Check Contribution Caps – The concessional super contribution cap is $30,000 per year, including employer contributions.
- Not All Employers Offer It – Confirm with HR if salary sacrificing is available in your workplace.
- May Affect Other Benefits – A lower taxable income could impact government benefits or borrowing capacity for loans.

Example: Paying for a Work Laptop Pre-Tax vs. Post-Tax

Scenario	1- Post-Tax (Without Salary Sacrificing)	2 - Pre-Tax (With Salary Sacrificing)
Cost of Laptop	$2,000	$2,000
Pre-Tax Income Required	$3,175	$2,000
Marginal Tax Rate	37%	N/A (Deducted Pre-Tax)
Tax Paid	$1,175	$0
Net Cost After Tax Savings	$3,175	$2,000
Tax Savings	$0	$1,175

Scenario 1: Paying Post-Tax (Without Salary Sacrificing)

- If their marginal tax rate is 37%, they need to earn $3,175 before tax to afford the laptop.
- After 37% income tax deduction, they are left with $2,000, which they use to purchase the laptop.

Scenario 2: Paying Pre-Tax (With Salary Sacrificing)

- If their employer allows salary sacrificing, the full $2,000 is deducted from their pre-tax salary.
- This means they avoid paying 37% income tax on that amount, effectively saving $1,175.

Outcome

By salary sacrificing, the employee pays only $2,000 pre-tax instead of needing $3,175 pre-tax, leading to significant tax savings. By using pre-tax dollars, employees can reduce their taxable income and keep more of their earnings.

Is Salary Sacrificing Right for You?

The effectiveness of salary sacrificing depends on your financial situation and goals. If you're looking to save tax while growing your super or managing expenses, this strategy can be beneficial.

Want to explore how salary sacrificing can benefit you?

The GTP team is only a call away to guide for your specific situation!

GTP Anniversaries

March
5th - Penny Fisher (24 years)
12th - Natasha Gardner (23 years)
21st - Regina Chia (1 year)

May
20th - Lara Neil (1 year)
26th - Hannah Werner (11 years)

GTP Birthdays

March
30th - Kerry Schultz

April
23rd - Jodie Mills

May
17th - Holly Nuske
24th - Jessie Lakin
30th - Penny Fisher

Fringe Benefits Tax (FBT)

Regina Chia

Fringe Benefits Tax (FBT) applies when an employer provides non-cash benefits to employees or directors that are not included in their PAYG Payment Summary.

If your business operates as a company or trust, the ATO may consider you, as the business owner, an employee for FBT purposes. Employers must be mindful of FBT obligations when providing additional perks beyond regular salary and wages.

COMMON TYPES OF FRINGE BENEFITS

Your business may be providing a fringe benefit in the following situations:

- **Motor Vehicle Use:** Allowing an employee or director to use a company vehicle for private purposes, such as commuting to and from work or weekend use.
- **Entertainment Benefits:** Paying for employees' meals, drinks, or recreational activities, such as work-sponsored social events, dining at restaurants, or attending sporting events.
- **Payment of Personal Expenses:** Covering an employee's non-work-related expenses, such as gym memberships, personal travel, or private health insurance.

Motor Vehicle Benefits

A company vehicle is considered a fringe benefit if it is made available for personal use. This includes situations where:
- An employee or director drives a company car home, even if the majority of its use is for work-related travel.
- The vehicle is parked at an employee's residence overnight, indicating personal use.

However, FBT may not apply if:
- The vehicle is used strictly for business and is stored at the business premises when not in use.
- The vehicle is classified as an exempt vehicle, such as:
  - A panel van or utility vehicle (where private use is restricted to work-related travel).
  - A vehicle designed to carry over one tonne (e.g., a truck or some four-wheel drives).

For example, if a business provides a sedan to a salesperson who takes it home at night, FBT applies. However, if a delivery driver exclusively uses a one-tonne van for work and leaves it at the workplace, it is generally exempt.

Entertainment & Meal Expenses

A fringe benefit arises when food, beverages, or entertainment exceeding $300 per employee is provided. Examples include:
- A company sponsoring a social event at a restaurant where employees and their families dine at the employer's expense.
- Paying for employees to attend concerts, sporting events, or recreational outings.
- Providing complimentary alcohol and dining experiences at a work function.

However, certain meal-related expenses are exempt from FBT, including:
- Meals provided to employees on business premises, such as at the pantry or tearoom.
- Morning and afternoon teas, light refreshments, or simple lunches at the workplace.
- Meals provided during a professional development seminar or work-related training session.
- Minor entertainment expenses, such as staff Christmas parties, as long as costs do not exceed $300 per person (inc. GST).

For instance, if a company hosts a lavish dinner for employees at a five-star restaurant and each person costs more than $300, FBT applies. However, if a training seminar includes catered meals for employees, it is exempt.

Other Employee Benefits

FBT also applies when an employer covers non-work-related expenses on behalf of employees or directors. This includes:
- Paying for an employee's personal holiday, such as a weekend getaway or an overseas trip.
- Covering gym or club memberships for employees.
- Providing personal use items that are not work-related.

However, some benefits are exempt if they are:
- Considered minor (valued at less than $300, including GST).
- Essential for work purposes, such as:
  - Tools of trade (e.g., an electrician's toolkit).
  - Portable electronic devices (e.g., laptops, mobile phones, tablets, or portable printers).

For example, if a business pays for an employee's personal phone plan that is primarily used for work calls and emails, it may be exempt. However, if the business pays for an employee's gym membership without any work-related purpose, FBT applies.

FBT Compliance & Considerations

Employers must maintain accurate records of fringe benefits provided to employees and ensure compliance with ATO regulations. To minimise FBT liability, businesses can consider:

- Structuring benefits within FBT exemptions, such as offering work-related tools instead of entertainment perks.
- Keeping benefits below the minor benefit threshold of $300 where possible.
- Ensuring company vehicles are used strictly for business purposes.

By understanding and managing FBT obligations effectively, businesses can provide benefits to employees while optimizing tax outcomes.

Disaster Relief Payments

Emma Glover

Have you been affected by the recent bushfires? If yes, you may be eligible for some Disaster Relief Payments.

The first one being the Albanese and Allan Government have activated Disaster Recovery Funding Arrangements for Hindmarsh Shire and Horsham Shires.

These payments are available for eligible community members impacted by the fires, who have been directed to evacuate their home, or their home was damaged, and they can't live in it due to the bushfires.

Assistance under the program includes a one-off payment of $680 per adult and $340 per child with the maximum of $2,380 per eligible family, to help cover the costs of essentials like food, clothing, medication and accommodation.

These payments are funded by the Australian and Victorian governments through the Disaster Recovery Funding Arrangements.

With these governments also providing financial assistance to Local Government with the cost of undertaking counter disaster operations and restoring essential public assets.

To apply for a payment:

- Visit a relief centre or recovery hub, or
- Call the VicEmergency Hotline on1800 226 226 (press 9 for an interpreter). You will be transferred to a Relief Payment Officer who can assist you with your application.

The second one being from NAB which are offering disaster relief grants for their customers that have been affected by the little Desert and the Grampians bushfires. These customers are eligible for disaster relief grants of up to $1,000.

This grant will help NAB customers who have suffered significant damage to their home, farm, or business to cover emergency expenses.

Further support is available for NAB customers directly impacted, including:

- Loan deferral or reduced repayment arrangements for home, personal and some business loans.
- Hardship support for customers struggling to make minimum monthly payments on personal loans, home loans or credit cards.
- Deferring upcoming credit card payments.
- Waiving and/or refunding fees and charges, including merchant terminal fees and early access fees to term deposits.

For further assistance and application, for impacted customers are encouraged to visit Natural Disaster Relief and Support at https://www.nab.com.au/about-us/sustainability/natural-disaster-relief-support/get-help
What are the tax implications of these payments?

A significant amount of bushfire payments is non-assessable non-exempt (NANE) income, which means you do not include it in your tax return, and you do not pay tax on it. If you are interested in knowing if you're eligible, come and ask your accountant.

Compound Interest is an Investors Best Friend

Karen Grainger

What is compound interest?

It is the interest you get on the money you initially invest and the interest you earn on the interest you've already earned.

The power of compounding interest helps you save more money. The longer you save the more interest you earn. This means earning more interest on the interest you are earning.

For example, if Sally invests an initial deposit of $1,000 and it compounds at 5%, after one year Sally would make $50 and the investment becomes $1,050.

In another year her investment is $1,102 and after 5 years $1,276, 10 years $1,628, 25 years $3,386 and 50 years $11,467.

This is not a get rich quick scheme but if you stick with it and contribute regularly your investment will grow.

The best way to take advantage of this is to start early and contribute regularly.

How our Administration team can assist, You, our clients in a timely manner...

At Green Taylor Partners, we as a collective aim to ensure client satisfaction is met. Many of our clients are inclined to get in touch with their accountant directly, but in most cases one of our Administration team members can help you with your query.

Such queries in relation to the following, but not limited to:

- Notice of Assessments
- ATO queries
- Emailing completed Tax Returns, Financials, BAS' etc.
- Outstanding invoices
- Making and changing appointments
- Company statements & ASIC obligations
- Advising of TFNs, ABNs and other registrations and many other queries.

Although our accountants put a lot of effort into ensuring that their clients are satisfied, sometimes they are tied up in meetings and can't take your call. So please feel free to ask one of our Admin Team members so they can assist you to obtain the information or documents you're after in a timely manner. If not, our Administration team will seek advice or further instruction from the accounting team and get back to you.

The Generational Wealth Transfer Challenge: Protecting Your Legacy

Marcus Ainger, Prime Financial, an associate of Green Taylor Partners.

Wealth is more than just financial assets—it's a legacy built over generations. Yet, research shows that nearly 70% of intergenerational wealth transfers fail due to poor communication, lack of planning, and inadequate succession strategies.

With an estimated $3.5trillion set to pass from one generation to the next in Australia over the coming decades, the challenge isn't just about transferring wealth but ensuring it is preserved and managed effectively.

WHY DO WEALTH TRANSFERS FAIL?

Many families believe having a will or a basic estate plan is enough. However, wealth can quickly erode without a structured approach that considers legal, tax, and governance implications. Common pitfalls include:

- **Lack of Communication** – Avoiding discussions about wealth transfer can lead to misaligned expectations and family disputes.
- **No Clear Succession Plan** – Without a documented strategy, businesses and investments may struggle to transition smoothly.
- **Tax Inefficiencies** – Poor planning can create unnecessary tax burdens that diminish the value of an estate.
- **Unprepared Heirs** – Many next-generation family members lack the financial literacy or experience to manage complex assets effectively.

KEY STRATEGIES FOR A SMOOTH WEALTH TRANSFER

Ensuring a seamless transition requires more than just drafting a will—it demands a comprehensive approach. Here's where to start:

1. Start the Conversation Early

Wealth discussions can be delicate, but open and transparent conversations help align expectations and values across generations. Regular family meetings, facilitated by an independent advisor, can provide clarity and direction.

2. Structure Wealth for Longevity

A well-structured estate plan ensures assets are distributed according to your wishes while minimising tax liabilities. This may include setting up family trusts, reviewing ownership structures, and considering philanthropic legacies.

3. Prepare the Next Generation

Beyond inheritance, heirs should be equipped with the knowledge and skills to manage wealth responsibly. Encouraging financial literacy and involving them in family financial decisions early on can ensure a smooth transition.

4. Seek Professional Guidance

Navigating estate planning, taxation, and investment management requires expert insight. Engaging with trusted advisors can ensure your wealth is strategically structured and protected long-term.

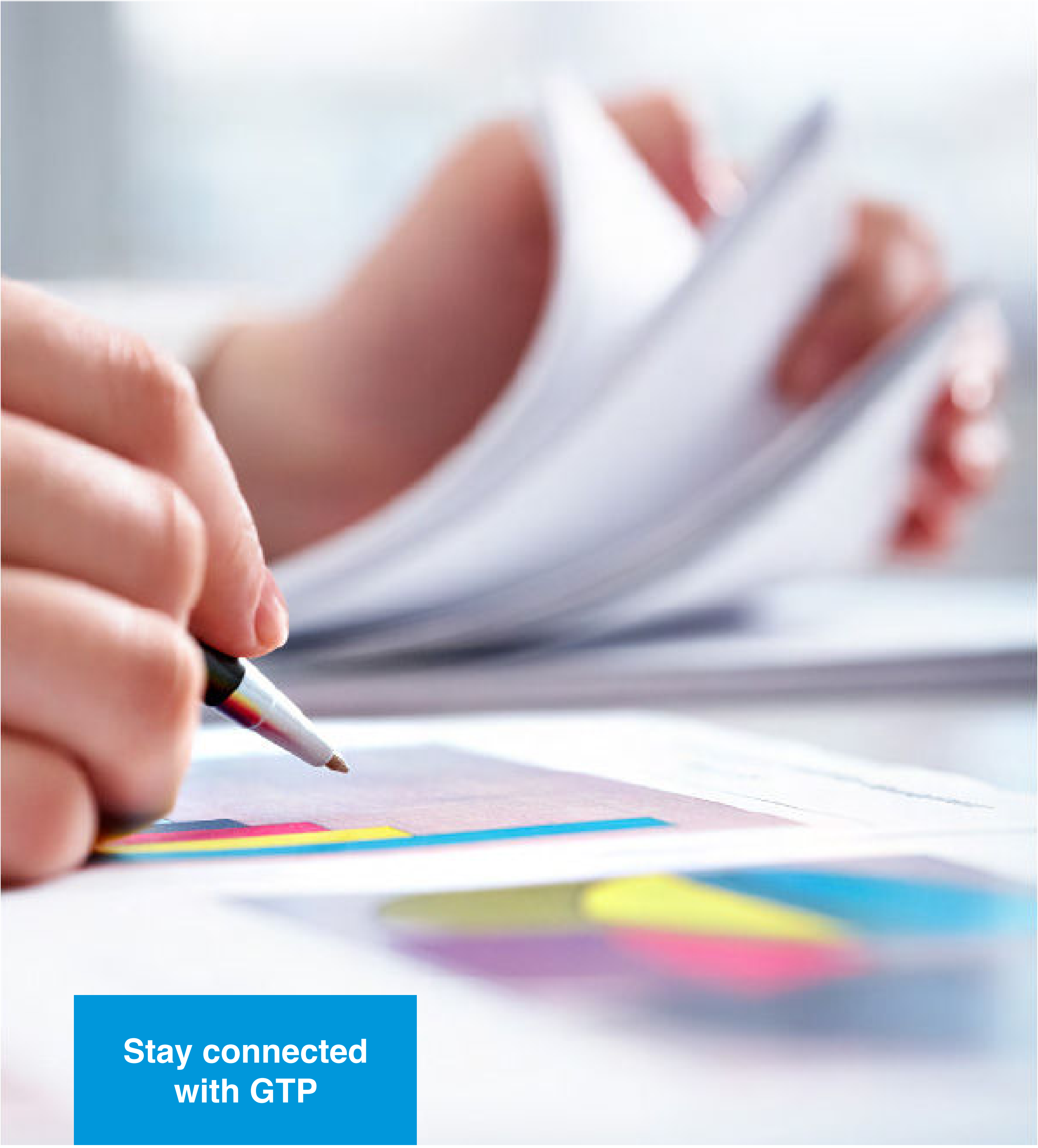
HOW PRIME FINANCIAL GROUP CAN HELP

At Prime Financial Group, we understand that wealth transfer is about more than numbers—it's about securing your family's legacy for generations to come. Our experienced team works closely with families, business owners, and investors to develop tailored wealth succession plans, including:

- Strategic estate planning to ensure a seamless transition of assets
- Tax-effective wealth structures to safeguard and preserve your legacy
- Investment and business succession strategies for long-term financial security
- As a trusted partner, we help families navigate the complexities of wealth transfer with confidence and clarity.

FINAL THOUGHTS

Intergenerational wealth planning is not just for ultra-high-net-worth families—it's essential for anyone looking to secure their financial future. Expert advice can make all the difference if you're starting the conversation or need a structured plan.



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