

# Season's Greetings

from RSM

## KATANNING OFFICE UPDATE

### Staff Christmas in Denmark

This year we celebrated the festive season with our staff Christmas party in Denmark!

With beautiful weather, several staff members went to do the Tree Top Walk in Walpole and later enjoyed a swim at Ocean Beach. For dinner we went to Boston Brewery, enjoying great food and local beer. It was a great weekend for staff to have some fun outside of our accounting bubble at the office and to celebrate getting through the busy year!



**Top: Jimmy and Bernard with their significant moustaches.**

### Team Katanning Mo Bros and Sistas

During the month of "Movember" Jimmy Smit, Bernard Naude, Kellie King, Dianne Sugg and Marie Van Blommestein from our office, amongst other RSM offices nationally, took part in the fundraising event to support and raise the awareness for men's health and stop men dying young. Jimmy and Bernard raised funds by taking part in the tradition of grow, groom and persevere a moustache whilst Kellie and Marie preferred to take a more active approach by running and walking a targeted distance of 265 kilometres over the month. As a result of all the effort, patience and sweat put in, Team Katanning raised a total of \$2,611 individually. Collectively participating offices Australia wide raised over \$12,000 for the Movember Foundation Australia.



### Accountant on the roof of Africa

Our resident adventurer Cameron Taylor took some time off in September to visit Tanzania and climb Africa's highest peak Mount Kilimanjaro. It was a five day trek to the summit, and he was thankful for his training to tackle the challenge of the ascent, the cold and the altitude. It was all worth the effort as he was rewarded with spectacular views and a memorable experience. Upon returning back to work, he encountered another mountain, this one of emails and paperwork!

**Our office will be closed from Friday 22 December 2017 and re-open on Tuesday 2 January 2018. We wish you all a very Merry Christmas and a safe and prosperous New Year.**



Find us on Facebook for all Katanning office news and updates.  
RSM Australia (Katanning, Western Australia)





## FARM DEPRECIATION

For the past couple of years, Australian primary producers have enjoyed some rather favourable accelerated depreciation tax deductions. These include:

- Fodder storage assets – written off over three years
- Capital water facilities – 100% immediate write-off
- Fencing assets – 100% immediate write-off
- For Small Business Entities (SBE's) all businesses with a turnover < \$10m:-
  - Purchase of assets below \$20,000 – immediate write-off
  - Purchase of assets \$20,000 and above – pooled with year 1 claim 15% and later years claim 30%
- Farm buildings (including sheds & employees quarters) treated as Plant and depreciated or pooled (if SBE) accordingly
- Capital works and electricity connections can be treated as Plant and depreciated or pooled (if SBE)

However there are still some factors you must consider to ensure your eligibility for these depreciation concessions:

- If the owner of the depreciable asset (eg. a family trust) is not the trading entity (eg. a partnership)
- If the owner of the depreciable asset is not a primary producer
- If the depreciable asset is acquired as part of a farm purchase
- If the asset is second hand and the previous owner has already claimed under certain provisions
- If previous records or depreciation claims cannot be determined

Otherwise the accelerated depreciation claims may be replaced by the conventional "effective life" rates, and the opportunity for those earlier tax benefits are lost.

In particular, the depreciation treatment of assets acquired as part of a farm purchase can be complicated and problematic if careful attention is not paid to the purchasing entity, and the wording of the contract.

This extends to the general conditions for the sale of land which applies to every acquisition of property (and attached depreciable assets) in WA, and the standard clauses contained there-in, which may need to be manually altered and signed for your depreciation purposes.

It is essential with every farm purchase that you seek comprehensive advice from your RSM accountant to ensure that your tax saving opportunities are maximised, and not assume that you will be automatically entitled to the favourable accelerated depreciation deductions that are on offer.

This is rather complex legislation with the ATO issuing subsequent interpretations and private rulings to clarify various matters. There appears to be some misunderstanding and misinformation being shared around the regions which may put some businesses at risk, and it is imperative that you seek advice from us in relation to your own depreciation situation and tax saving opportunities.

### Partners in Grain WA partner with RSM

*"It's with great pleasure that RSM become sponsors of Partners in Grain. As a firm supporter of the farming community it is an exciting prospect to be part of a network that helps drive success, facilitate innovation and increase knowledge within the grains industry."*

**– Jo Gilbert, Partner, RSM**

The power of understanding is only possible through gaining access to local industry knowledge, recognising the real challenges faced and maintaining an awareness of the ever-changing landscape in which our clients operate. Partnerships with organisations, like Partners in Grain, who are committed to a thriving WA strengthen our knowledge base and ensure our continued ability to remain relevant, add value and build business resilience for our clients.

# SUPERANNUATION REVIEW

By James Rurenga

Superannuation has seen a lot of changes in the last twelve months – however here are the key points to note:

## 1. Event Based Reporting:

The ATO want all Self-Managed Superannuation Funds to report any and all transactions that affect your Transfer Balance Cap. This will only apply to members who have a pension and have satisfied a condition of release, for example members who have reached the age of 65.

Similar to those funds with GST obligations, these reports must be generated and submitted to the ATO within 28 days of the end of the quarter they occurred in. But what does the ATO want to know? In the ATO's own words, 'From the 1 July 2018 SMSF trustees will be required to report events impacting an individual member's transfer balance on an events basis.' So pension commencements and commutations are among the list of items to be reported. To address this we are sending out authority forms for data feeds. A data feed is an electronic copy of your bank statement fed directly into our systems. This is a read only feed and does not give access to your account, but allows us to closely monitor your account and query any strange transactions with you. For example that Nigerian Prince could actually be related to you!

Does the ATO want event based reporting for everyone? No, they are targeting members with a total superannuation balance of \$1million or more. Although depending on your balance you may want to prepare for these reporting requirements.

## 2. Contribution thresholds have changed:

If you remember back to budget night 2016 the government announced changes to contribution caps. This announcement became law in November 2016.

For the 2017/2018 financial year the most you can contribute to superannuation and claim a tax concession is \$25,000. Likewise the non-concessional cap is limited to \$100,000. As the 2017/18 financial year is half over you will want to review your salary sacrificing arrangement, if applicable, to make sure you are not going to breach these caps.

As with all things Super, this is only a brief outline of changes. Please contact your accountant or the superannuation team in Albany if you require further detailed information on these issues.



## SINGLE TOUCH PAYROLL – DOING NOTHING IS NOT AN OPTION.

Single Touch Payroll (STP) is on its way and is the single biggest payroll reporting change in Australian history. So what is the low down of this mandatory and streamlined reporting obligation?

The Australian Government has initiated a change that will require employers to report payments such as wages, pay as you go withholding and super information directly from their payroll software or payroll service provider to the ATO. Currently all Australian business with 20+ employees will need to use this reporting system from 1 July 2018 and businesses with 19 or less from 1 July 2019 (legislation pending).

The system aims to eliminate both the need to report employee related PAYG withholding in activity statements throughout the year or provide employee payment summaries at June 30.

Under this process, electronic accounting software used by businesses would automatically report payroll information to the ATO at the time employees are paid. This process will automate the exchange of information from the employer to the ATO and then to other government departments such as Department of Human Services.

It is the direct and "real time" digital connection with the ATO that is new and requires all payroll software to be upgraded to accommodate. Your payroll software company should have the required upgrades in place ready for the start date of the new process.

[Click here](#) to find out more information on the process and we also encourage all of our business clients to engage with their RSM Accountant and support staff to stay informed of all updates and help with any the issues that may arise.

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Presented by Partners in Grain WA

# Summit 2018

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*Prepare to be inspired!*

**An advanced business skills summit for women of WA farm businesses.**

**A dynamic program** of key themes will be presented in an **interactive mix of keynote, panel and concurrent sessions:**

- Agriculture – global, to local, to your business, to you
- Sharing skills – grower perspectives
- Stepping ahead – inspiring yourself
- Power of the mindset - Resilience, courage, motivation

**Be inspired** by sessions lead by WA growers' perspectives:

- Tapping into Technology
- Structures & Strategy
- Crunching the Numbers
- Risk Management
- Balancing Business & Personal

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**Registration Includes:**

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**Day 1:** Commences at 10.15am.  
**Day 2:** Concludes by 3.15pm.

We recommend registering with a friend  
and making the most of the Esplanade  
Hotel's discounted twin share rooms.  
Book directly with the Esplanade Hotel.

**REGISTER TODAY** | Places are limited

**\*EARLY BIRD REGISTRATIONS  
OPEN NOW \$300 + GST per participant**  
Open until 22nd December 2017.

\*Early Bird Registrations are only open to GROWERS who have participated in one of PinG WA's current workshops or attended INSPIRE 2016.

**OPEN REGISTRATION  
\$340 + GST per participant**

From January 2018, if places are still available.

If you do not qualify for Early Bird but would like to go on the Expressions of Interest list please email your details to the INSPIRE Coordinator, Erin Green: [inspire@pingwa.org.au](mailto:inspire@pingwa.org.au).

INSPIRE is only open to women from farm businesses.

**PinG**  
Partners in Grain  
WA

Find out more:



PinGWA1

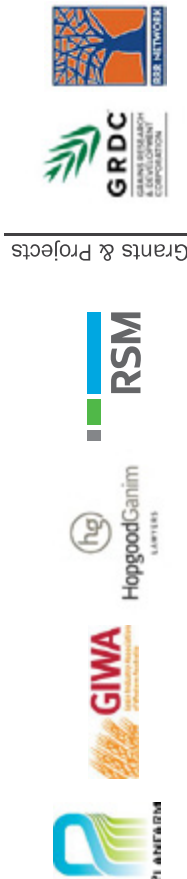


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