



Supporting and empowering
you every step of the way

HAPPY NEW YEAR FROM RSM

The days have ticked on and our Narrogin office are back on deck after holidays and the festive season. Many of us have enjoyed a break with our families and look forward to a busy and successful 2016 season ahead.

We have had two new faces join us since the last newsletter.

Nadine Allen is CA qualified and transferred within RSM from Kalgoorlie office in October last year. She grew up in Kalgoorlie and has been with the firm for four years. She completed her university studies in 2011 at Edith Cowan University with a Bachelor of Business and gained her CA membership mid-2015.

Ronald Subramoney has joined us in October 2015 as a Graduate Accountant. He moved from Durban, South Africa to Merredin in January 2014 and has previous accounting and audit experience. He worked as an assistant accountant for a New Holland and John Deere dealership in Merredin and hopes to start his CA sometime this year.



Jim Adamson has recently completed 30 years' service with RSM! We celebrated this massive milestone on 24th February by filling his office with balloons and streamers whilst

he was out visiting a client, and then with a morning tea and a vintage bottle of red. Congratulations to Jim from all the staff in our office.

A week later Anna Clarke completed 10 years' service with the firm. To celebrate this milestone Anna will be going on long service leave from the 2nd of March to finish her studies in financial planning.

As mentioned in the previous newsletter, Jo Doney is working Tuesdays and Thursdays and Anna Clarke is working Monday, Tuesday and Wednesday.

A new global brand

RSM World Day on 26 October marked the beginning of a new chapter in our 93 year history, as we united with member firms in 120 countries as one name – RSM.

There were celebrations around the globe, but most importantly, we now have the opportunity to better leverage from our global strength, our consistent brand presence and our international expertise to pursue opportunities in Australia. Our rebrand did not mark the end of a journey – we need to ensure now that we are actively living the brand through our words and actions.

Locally we now share our brand with all RSM member firms around the world, but very much maintain our own identity and autonomy. We continue to fiercely protect our culture and core values, and strive to provide premium service and benefit to our valued clients through knowledge, trust and understanding.

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Summary of the key tax measures announced at the 2015–2016 Federal Budget

Small businesses with an aggregated turnover less than \$2million will benefit from the following measures:

- Immediate deduction for expenses associated with commencing a new business (previously written off over 5 years)
- Immediate deduction for assets acquired between 12 May 2015 and 30 June 2017 costing less than \$20,000 (previously \$1,000)
- 1.5% tax cut for small companies in business from 30% to \$28.5%
- 5% income tax discount, capped at \$1,000, for individuals involved in small business entities (Sole traders, Trusts & Partnerships)

Primary producers:

- Immediate deduction for the cost of fencing and certain water facilities such as dams, tanks, pumps, etc.
- Depreciate over 3 years the cost of fodder storage assets such as silos and tanks used to store grain & animal feed

Youth Allowances to Benefit Country Kids

Some long awaited reform to youth payments will commence from January 2016 that is hoped to encourage country students to fulfil their tertiary education ambitions. The eligibility criteria which were often the most difficult for dependent applicants to meet, the family asset test and the family actual means test, will no longer be considered to determine eligibility for Youth Allowance.

A sole test for people deemed dependent will be based on parental income and more closely aligned with the Family Tax Benefit part A income test. From 1 July 2016 it will also factor in any siblings of a benefit recipient for Youth Allowance, Abstudy and Assistance for Isolated Children.

The Government anticipates around 1,200 new Youth Allowance recipients and increased payments to over 4,800 existing students by removing the Family Actual Means Test. The removal of the Family Asset Test could see 4,100 new dependent claimants, receiving on average benefits of \$7,000 a year.

Although the removal of these tests has been regarded as generous the remaining test appears to require parents to be eligible for Family Tax Benefit part A and may still be difficult to meet. If you have been unsuccessful with an application in the past or if you've never applied due to the old tests we suggest you review your eligibility. If you require advice or assistance contact your RSM accountant.

Changes to preservation ages & accessing superannuation

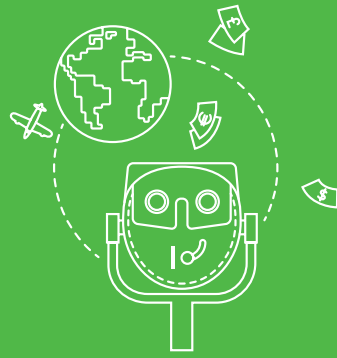
You have just had a birthday and you may be thinking that now you are 55, you can draw on your superannuation. Well, you may not be able to.

Back in 2014, the government made changes to increase the preservation age from 55–60 for Transition to Retirement Income Stream pensions (TRIS). Essentially what this has done is change how old you need to be in order to qualify for a TRIS. If you were born before 1 July 1960, then you will qualify for a TRIS at the age of 55. The table below outlines the new age requirements:

Date of birth	Preservation age (years)
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

TRIS's can only be taken as an income stream subject to maximum and minimum caps and cannot be taken as a lump sum withdrawal.

If you decide that you want to start a TRIS, it would be prudent that you speak with both your accountant and with the administrator of your superannuation fund to get the necessary paperwork completed before you withdraw funds. Once the paperwork is completed you will notified of the amounts that you can safely withdraw without breaching the upper and lower limits. Just remember that if you access your super before the paperwork is completed, you may be in breach of the Superannuation Industry (Supervision) Act.



Ideas and insight, collaboration and understanding.

Changes to work related motor vehicle expenses – non commercial vehicles

In the 2015/16 budget the Government announced substantial changes in the calculation of work related motor vehicle expenses effective from 1 July 2015.

Previously there were 4 options available to calculate motor vehicle expenses:- Cents per kilometre up to 5000km; 12% Original Cost, 1/3 of actual expenses or log book where business kilometres exceed 5000km per year. As of 1 July 2015, calculation of motor vehicle expenses has been reduced to only 2 methods.

Cents per kilometre method

Business travel up to a maximum of 5000km at 66 cents per kilometre. If you are registered for GST, you are only entitled to claim 20% of the GST paid on vehicle running costs such as fuel, repairs, tyres, servicing, insurance and licence. If buying a new vehicle, you can also only claim 20% of the GST in the purchase price.

Logbook Method

In order to make a claim for business kilometres exceeding 5000km you are required to maintain a logbook. The ATO has very strict rules relating to log books and business related travel. A logbook must be completed for a minimum period of 13 consecutive weeks in a reflective period. A new logbook is required every 5 years or sooner if business use.

Business related travel must be definitive rather than incidental. For example, if you are going from the farm into town to buy groceries and you collect the mail at the same time, this is defined as incidental business related travel and is not included. If you are registered for GST, you are entitled to claim GST paid on vehicle running costs based on the business use percentage indicated by the log book.

If you use programs such as Agrimaster to maintain your business records and complete your business activity statements, please ensure you update any settings for private use proportional codes to 80% private unless you have a logbook for that vehicle. Please also endeavour to use one specific account code for all expenses relating to a vehicle so that the GST is calculated correctly. Eg: Motor Vehicle Exp – Landcruiser.

Superstream compliance – what all employers need to do

SuperStream is a Government reform aimed at improving the efficiency of the superannuation system. Under SuperStream, from 1st July 2016 all employers must make super contributions on behalf of their employees by submitting payments electronically in a consistent and simplified manner.

What you need to do

Employers can meet SuperStream by either using:

- a software solution that conforms to SuperStream, or
- a service provider who can arrange SuperStream compliance on your behalf.

Your options may include:

- upgrading your payroll software
- using an outsourced payroll or other service provider
- using a commercial clearing house; or, for employers with 19 or fewer employees, using the free Small Business Superannuation Clearing House (go to www.sbsch.gov.au)
- your default fund – they may also have an electronic channel they manage or can make transitional arrangements for you.

You will need to collect and store additional information about funds in order to send them contributions in accordance with the SuperStream standard.

This includes the following new information:

New Information Required

Fund's ABN
Bank account details
Electronic service address
Employee Tax File Number (TFN)

Fund Type

All funds
SMSF's
SMSF's
All funds

For further information, please go to <https://www.ato.gov.au/super/superstream/in-detail/what-you-need-to-know/employers/> or contact your accountant.

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