

Medicare Levy Increase Becomes Law

The Disability Care Australia legislation that provides for a half a percentage point increase in the Medicare levy has passed the Parliament and become law.

The legislation will increase the Medicare levy from 1.5% to 2% of taxable income from 1 July 2014.

This will have a flow-on effect to other tax rates that incorporate the Medicare levy, such as the FBT rate and the excess non-concessional super contributions tax rate, all of which will increase to 47% from 1 July 2014.

The legislation establishes the Disability Care Australia Fund in which the additional Medicare levy will be invested and used to provide the services.

Conservation Tillage Refundable Tax Offset

From 1 July 2012 to 30 June 2015, primary producer taxpayers may be eligible for a refundable tax offset where they acquire an eligible 'no-till seeder' which is to be used in conservation tillage farming practices. The offset is 15% of the cost of an eligible seeder.

These practices include:

- Sowing a crop into untilled soil using narrow knife points to minimise disturbance to soil (less than 20% soil disturbance); and/or
- Zero-till practices where a crop is sown with one pass using a disc seeder.

To be eligible, you will need to be carrying on a primary production business, the seeder must be new, and you have a Research participation certificate from the Department of Agriculture, Fisheries & Forestry.

What Does Tax Look Like Under A Coalition Government?

Here's a rundown on some of the commitments made in the lead up to the election, although many don't have effective dates and are not law yet:

- Self education expenses: There will be no \$2000 cap on self-education expense deductibility.
- FBT and cars: The statutory formula method for car fringe benefits will not be abolished
- Company tax rate to be cut to 28.5% from 1 July 2015
- No changes to the GST rate before the next election
- Abolish the carbon tax
- Abolish the mining tax
- Discontinue the tax loss carry-back measure
- Discontinue the small business instant asset write-off (currently \$6,500)
- Discontinue the accelerated depreciation for motor vehicles for small business (currently \$5,000)
- Introduce a 1.5% levy on companies with taxable income above \$5m to fund a Paid Parental Leave Scheme.
- The superannuation guarantee will remain at 9.25% for three years before gradually increasing to 12% by 2021; previously this was to be achieved by 2019.

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Relief Milkers – Are They An Employee Or A Contractor?

Farmers may choose to engage an independent contractor when they have a specific job which needs to be performed by a person with a particular skill, for instance, silage making or hay baling.

It is important to be able to distinguish between an independent contractor and an employee as the law imposes different rights and obligations on those who engage independent contractors and those who engage employees.

What is a contractor?

A contractor is someone who you pay for a service. They can choose to take the job, they can delegate who does the task, they are responsible for getting the job done and they supply their own equipment. They have an ABN and are responsible for their own workcover and superannuation.

What is the difference between a contractor and an employee?

A contractor is a person who works under a commercial contract. The contractor can operate as an individual or through a partnership, trust or company. An employee is a person who works under an employment contract. If a person has nothing else to sell other than labour, they are an employee, not a contractor. **Someone does not become a contractor simply by supplying an ABN.**

Can I employ a relief milker as a contractor?

No. As the relief milker does not have the right to control how and when the work is performed and cannot delegate work to others they are seen as an employee not a contractor, regardless of them having an active ABN. If the person performs relief milking services to a number of farmers then a contractor situation could exist.



ABN Entitlement Checks Continue

Through the Towards a Better Business Future initiative, work continues to improve the accuracy and integrity of information on the Australian Business Register (ABR) by scrutinizing Australian Business Number (ABN) entitlement.

The ATO has advised that over 93,000 ABNs were cancelled by the register during the 2011-12 financial year. This number has now grown to over 210,000 ABNs cancelled by the Register.

If your ABN is cancelled, you will receive a letter providing the reason and review rights. If you do not agree with the cancellation, you can object and your ABN can be reinstated if you can show they are entitled to have an ABN.

Remember that cancelling an ABN will also cancel your AUSKey (if you have one) and registration for GST, luxury car tax, wine equalisation tax and fuel tax credits where applicable.

In addition to improving accuracy and integrity work, the Registrar will also be contacting ABN holders to remind them of the legal requirement to update their ABN registration details on the ABR within 28 days of becoming aware of any change.

Low Income Superannuation Contributions

The low income super contribution (LISC) is a government superannuation payment of up to \$500 each financial year to help low-income earners save for their retirement.

If you earn \$37,000 or less a year, you may be eligible to receive a LISC payment directly into your super fund account.

You don't need to do anything to receive a LISC.

If you lodge an income tax return – we will pay your LISC into your super fund account when we have received information from your super fund about your super contributions. Most payments for 2012–13 are expected to be made after October.

If you do not lodge an income tax return – we will work out your eligibility using information we hold about your income, and information from your super fund. Payments for 2012–13 will start from 1 July 2014.

The LISC is 15% of the concessional (before tax) super contributions you or your employer pays into your super fund each financial year, starting from 1 July 2012. The maximum payment you can receive for a financial year is \$500, and the minimum is \$10 – but if you're eligible for less than \$10, the ATO will round this up to \$10.

Dealing With Difficult, Angry or Violent People In The Workplace

At one point or another in our working life we have all experienced people who display difficult behaviours. This is commonplace in business, although these situations remain the most confronting and uncomfortable to deal with.

This article examines some preventative strategies and actions on how to manage these situations effectively, no matter the circumstance.

When considering difficult behaviour is important to remember that people are not born difficult, it is merely the result of behaviours which when repeated, attain a desired outcome. It is therefore essential to understand the motivators that drive this behaviour. This could be a combination of more than one but is likely to include:

- Dissatisfaction with a position, task or outcome
- Mental impairment such as mental illness, substance abuse such as drugs (legal and non-legal) or alcohol
- Specific occupational violence such as bullying, intimidation, alienation, abuse of power
- Opportunistic and gain related violence such as unplanned vandalism or stealing

All workplaces have disagreements, unsatisfactory behaviour or performance issues, however although these situations can be uncomfortable, they are usually resolved with professional integrity, a level of composure and common sense.

Preventative strategies such as policies are quite effective but on the odd occasion, difficult behaviour can escalate and an employee or customer may display high levels of aggression and/or assaultive behaviour. In this instance it is imperative to not only be aware of your responsibilities as an employer, but to act immediately to diffuse the situation.

Violence can occur in any occupation and may result from either staff or customers. It includes verbal abuse such as yelling, swearing or condescending language, threatening behaviour such as throwing things or destroying property, physical attacks such as shoving or punching and behaviours defined as bullying and harassment such as manipulation, intimidation, isolation or demotion.

When dealing with difficult or aggressive people it is important to firstly understand the cause of this behaviour and then determine what the key issue is so once you have confirmed the problem, you can work towards finding a solution. The below steps will assist you:

1. Determine what the problem is
2. Repeat back to them what you believe they have said and ask them to confirm
3. Ask questions to find out more
4. Offer options for resolution

Some practical strategies to use when dealing with difficult or angry people include:

- Research and practise self-control and relaxation strategies that work for you
- Clarify the person's needs so you can work towards a solution
- Acknowledge the other person's feelings and avoid talking about yourself
- Be aware of your body language and the messages you are sending
- Do not raise your hands
- Be honest in what you can do and any resolutions
- Be respectful and maintain your dignity and composure
- Avoid any personal comments or being condescending
- Be assertive but do not challenge
- Display patience and stalling tactics if possible to allow some cool down time
- Accept that at times you may not be able to resolve the situation yourself, determine if the behaviour is escalating and assistance is required
- Always make a detailed record of the incident

In the unfortunately event that you experience significant violence or assault in the workplace and the assault was not provoked, you may use such force as is reasonably necessary to defend yourself, provided the force is not intended and is not likely to cause grievous bodily harm or death. If you aid another person in self-defence, the same as above applies.

Although the above diffusion techniques are usually effective, the best method to deal with difficult behaviour, anger or violence in the workplace is to use preventative strategies.

These should include robust workplace policies which outline unacceptable staff behaviour (such as a code of conduct), bullying and harassment prevention, training on these policies and effective performance management. As an employer, under the Workplace Health & Safety Act 2012 you owe a duty of care to your employees and you may be liable if you have not provided a safe workplace. You are required to take all reasonable measures to ensure you foresee and deal with the dangers in the workplace which includes injury to staff by persons who are disturbed or impaired.

It is therefore advisable to undertake a risk assessment of your workplace which details any history of past behaviours and an assessment of the risks for your industry and/or specific roles. Emergency procedures should be developed to include strategies to minimise these risks further training may also be provided to staff such as difficult conversations or emergency management.

While difficult, angry or abusive behaviour is a constant in society in general there are ways to minimise these risks within your business. Employing preventative strategies, understanding the motivators and using resolution techniques will go a long way to diffusing situation and attaining a favourable outcome. Most situations are able to be resolved by employing these techniques early on and pre-planning is the key to minimising your business risk and enjoying a stable and happy work environment.

We hope this article gives you some ideas & knowledge on this issue which we hope you never have to deal even though you probably will have to at some stage.



With less than 55 days until Christmas here is a simple recipe to help get you in the festive spirit...

Fruit Mince Brownies

Ingredients

- 200g good-quality dark chocolate (70% cocoa solids), chopped
- 300g brown sugar
- 250g unsalted butter, chopped
- 4 eggs, lightly beaten
- 1 1/3 cups (200g) plain flour
- 1/4 tsp baking powder
- 1/3 cup (35g) cocoa, plus extra to dust
- 1/3 cup (85g) fruit mince
- 1 tsp mixed spice
- 1 cup (100g) toasted walnuts, chopped

1. Preheat the oven to 180°C. Grease a 22cm square cake or brownie pan and line the base with baking paper.
2. Place chocolate, sugar and butter in a saucepan over low heat, stirring until melted and well combined. Remove from heat, cool slightly, then stir in eggs until well combined. Add flour, baking powder, cocoa, fruit mince, mixed spice and nuts, stirring to combine. Spread into the pan and bake for 25 minutes or until just set.
3. Cool in pan, then dust with cocoa. Cut into 12 squares and serve. Brownies will keep in an airtight container for 2-3 days.

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