R J PRESTON LTD

Your Rural Accounting Specialists | Chartered Accountants

Newsletter June 2021

XERO

As many of you may know we are changing our accounting software from MYOB to Xero. This is a major change for our office as we have been running with MYOB for the last 23 years.

The reason behind the change is based around what computing system will add value to our firm and to our client base moving forward. We have agonised over this for the last couple of years, but we certainly think now that having Xero and Figured as our in-house software will provide opportunities and will streamline our services going forward.

While we have switched many of our clients that use banklink to Xero, there is no compulsion for clients to change from your current systems that you are comfortable with to Xero. All systems dovetail into our operating system. Xero also offers more transparency when billing. Previously the IT costs were imbedded in the administration part of the accounting fee and in a lot of cases they would not have been charged as MYOB did not have the facility to break down the IT costs based on the complexity of the Accounts. Now Xero provides a series of charges pending on the complexity of their system that is utilized ie if you are using payroll, budgeting of livestock and are using the Figured program, the Xero cost to you is specific to your job.

All the IT costs will be charged direct to you with **no mark-ups** so the costs that Xero charge us, we will charge you. Apart from that your accounting fee will have the same format – an interim fee when the draft is sent out and a final fee being split between accounting time and the administrative costs. This will provide transparency for yourselves and any questions concerning fees can be directed at the different costs involved.

TAX CHANGES

From 1 April 2021 a new top tax rate of 39¢ on individual income earned above $180,000 applies.

For Each Dollar of Income	Tax Rate
Up to $14,000	10.5%
Over $14,000 and up to $48,000	17.5%
Over $48,000 and up to $70,000	30%
Over $70,000 and up to $180,000	33%
Remaining Income over $180,000	39%

MINIMUM WAGES

On 1 April 2021 the minimum wage rose to $20 per hour.
There are still three other classes of wages:

Starting Out Minimum Wage - $16 per hour

- This includes 16 – 17 year old's who haven't completed six months of continued employment with their current employer. After six months with an employer they are not on the start out wage and should be paid the minimum adult wage.
- 18 – 19 year old's who have been on a benefit for six months or so and haven't completed six months continuous employment with an employer are also on the starting out minimum wage.

Training Minimum Wage - $16 per hour

- Applies to employees aged 20 and over whereby their employment agreement states that they have to do at least 60 credits per year to become qualified in the area that they work in.

Employees under the age of 16

- The minimum wage does not apply to employees under 16 but all the minimum standards and employment rights and obligations apply.

MILEAGE RATES

Vehicle Type	Tier 1 Rate	Tier 2 Rate
Petrol/Diesel	79¢	26¢
Petrol/Hybrid	79¢	16¢
Electric	79¢	9¢

Tier 2 rate is for running costs only. Use the Tier 2 rate for the business portion of any travel over 14,000 kilometres per year.

A farm boy accidentally overturned his tractor one day.
The farmer who lived next door heard the noise and yelled over to the boy “Hey Jock, don’t worry about it, come in and have something to eat with us. I’ll help you get the tractor up later.”
“That’s really nice of you” Jock replied “but I don’t think Dad will be happy”.
“Don’t worry about that” the farmer insisted.
“Well okay” the boy finally agreed and added that Dad won’t like it.
After a hearty dinner Jock thanked the neighbour for his hospitality and said that he felt much better now but he still knew his dad would be angry.
“Don’t be silly” said the farmer – “by the way where is he?”
Jock replied “under the tractor”