

# CLIENT ALERT

Spring 2023



## AN EXCITING FEW MONTHS



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We've had an exciting few months at HLB Mann Judd, and I'm thrilled to share some noteworthy updates with you.

In July, I attended the HLB Advisory-Tax-Audit 2023 Conference in Madrid, Spain, and reconnected with leaders and members from the HLB International network. The event provided valuable insights into today's trending business topics, and we celebrated HLB's recent placement as a Top 10 global network, reinforcing our dedication to excellence and collaboration.

Our Perth office has also seen significant growth with senior promotions and appointments, adding strength to our leadership team. Gaurav Chitnis joined as a Partner in our expanding Tax Consulting division, bringing invaluable experience in taxation as a chartered tax advisor, CPA, and lawyer admitted to the Supreme Court of Western Australia. We also celebrated David Healy's promotion to Partner in our Corporate & Audit Services division – his extensive experience in auditing numerous WA listed and large private companies across diverse jurisdictions is invaluable to our firm and clients.

Additionally, David Prescott was promoted to Director in the Business Advisory Services division, showcasing his dedication and hard work since joining us as a cadet in 2007. Furthermore, Brendan Bate joined our Wealth division as a Financial Adviser, bringing over two decades of international and local experience in accounting and financial services.

This issue of Client Alert features articles from each of these team members, providing a wonderful opportunity for you to connect with their expertise and updates on various industry topics.

## SKILLS AND TRAINING TAX BOOST



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As part of the 2022/23 Federal Budget, the previous Coalition Government introduced the Skills and Training Boost and the Technology Investment Boost to encourage business investment. These measures allow eligible businesses to claim an additional 20% deduction on eligible expenditure. On 23 June 2023, the measures received Royal Assent, becoming law.

To qualify for the 20% deduction, your business must be eligible with an aggregated turnover of less than \$50 million in the income year when the expenditure is incurred. The eligible expenditure must be incurred between 7:30pm (ACT time) on 29 March 2022 and 30 June 2024 and provided for employees in Australia, either in-person or online. The expenditure must also be 100% tax deductible under current taxation law.

The training must be provided by a registered training provider, and the expenditure must be charged directly or indirectly to the employer by the provider. Training expenditure for non-employee business owners, such as sole traders or partnership partners, is excluded.

For example, if your business incurred \$20,000 in eligible training expenditure in the 2023 financial year and qualified as an eligible business, you would claim a 20% deduction, resulting in a \$24,000 deduction. This could lead to an additional tax saving of \$1,000 for a base rate entity taxed at 25%.

The Skills & Training Boost offers a significant tax benefit for your business while investing in your most valuable asset – your employees.

**For more information, contact David Prescott on (08) 9227 7500.**

## FROM IRELAND TO AUSTRALIA AND BECOMING A PARTNER AT HLB



**DAVID HEALY**  
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Reflecting on my journey from Ireland to becoming a Partner at HLB Mann Judd Perth in July 2023 feels surreal. Graduating from the University of Limerick in 2003 as a Chartered Accountant, I embarked on a one-year working holiday in Australia, which changed the course of my life forever.

Arriving in Sydney in December 2007, I moved to Perth in July 2008 and met my now-wife, Kath, on the very first Saturday night out in Perth. Life in a new country was daunting, and finding a job that could sponsor my visa became a priority. HLB Mann Judd became an option when a colleague suggested the firm, and my interview with then-Audit Partner Wayne Clark gave me a strong sense that everything would work out.

I got the job as an Audit Senior just before my working holiday visa expired. The journey with HLB Mann Judd officially began in January 2009, but it almost had a different outcome. After a close call with immigration, I had to make a short trip to Bali to submit some paperwork overseas. Thankfully, everything fell into place, and I was back in Perth, ready to dedicate myself to the role.

Immediately, I knew I had found the right practice for me. The nurturing and challenging environment provided by the partners made me enjoy the work and the firm's culture.

As a qualified Chartered Accountant, I am heavily involved in audits of WA listed and large private companies across various sectors, including resources, manufacturing, not-for-profit, and finance. My dedication to clients goes beyond borders, as I've served businesses in diverse jurisdictions worldwide, gaining valuable insights into different sectors, business practices and cultures.

Now as a Partner, I'm excited about the opportunities and responsibilities that lie ahead. The journey had its twists and turns, and I owe a debt of gratitude to HLB Mann Judd for seeing my potential and providing me with a platform to thrive. As I step into this new phase of my career, I carry with me the valuable lessons and experiences from my journey and am eager to contribute to the growth and success of this exceptional firm.

**For more information, contact David Healy on (08) 9227 7500.**

## WHY HOLD A CASH RESERVE?



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With interest rates now higher than they have been in several years, cash has suddenly returned as a more attractive asset class with higher income and low risk. Many often forget that since the Global Financial Crisis, a Government Guarantee has existed providing protection to depositors of up to \$250,000 per account-holder per authorised deposit-taking institution (ADI) (bank, building society or credit union) if that ADI fails.

Other than security and peace of mind, why is it a good idea to hold a cash reserve?

### Income protection

Many income protection insurance policies have a waiting period before monthly benefits commence after a claim is accepted. A cash reserve helps you 'self-insure' for this gap and better manages the risk of a sudden loss of income.

### Saving for a short-term goal

If you are saving for a planned expense within the next two to three years, it may be prudent to do this in cash. All other asset classes expose your savings to the risk of suffering from a capital loss in the short-term.

### Liquidity for unplanned or 'lumpy' expenses

Your cash reserve acts as a cushion to absorb the impact of a large outflow or unbudgeted cost. This helps remove the fear of 'running out of money'.

### Know the risks

No capital growth is possible and holding cash instead of other assets exposes you to interest rate risk and a loss of purchasing power from inflation.

### How much?

The amount you should hold in a cash reserve varies individually from person to person depending on your circumstances. If you are self-employed or in a partnership, your cash reserves will likely need to be higher to adequately provision for your income tax obligations. The team at HLB Wealth can assist you calculate your liquidity targets.

**For more information, contact Brendan Bate on (08) 9227 7500.**

Brendan Bate (ASIC No. 1272327) and HLB Wealth Pty Ltd (ASIC No. 428645) are Authorised Representatives of Paragem Pty Ltd, ABN 16 108 571 875, AFSL 297276.

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# MEET TAX CONSULTING PARTNER GAURAV CHITNIS



**GAURAV CHITNIS**  
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Gaurav Chitnis joined HLB Mann Judd in July 2023 as a Partner within the firm's Tax Consulting division, bringing with him over 17 years' experience in the industry. Gaurav is a highly regarded CPA, CTA, and lawyer admitted to the Supreme Court, and an expert in many complex tax areas, including capital gains tax, business restructures, taxation of trusts, and Division 7A.

Throughout his career, Gaurav has honed his skills in a range of roles, making him a truly multifaceted tax professional. His extensive experience, coupled with a strong commitment to client service, has broadened HLB Mann Judd Perth's taxation consulting services and expertise. His extensive industry knowledge positions him as an invaluable addition to our team, reinforcing our dedication to providing clients with top-tier tax consulting services.

In this Q & A, Gaurav covers several important taxation topics as well as key elements that guide his professional practice.

## **What inspired you to pursue a career in taxation and what motivates you to continue to grow in this field?**

I have always had an analytical mindset and was naturally drawn towards a field that involved problem-solving. After considering several different career pathways, I decided to pursue a degree in accounting and finance. As I progressed through my studies, I realised that my true passion was solving complex legal issues and a career in taxation became inevitable.

What motivates me to grow in this field is being able to understand and solve complex tax issues and explain these issues to clients in ways that are easy to understand.

## **With your unique background as both an accountant and lawyer, how do you approach complex tax issues differently than others might?**

I strongly believe that a tax advisor needs the skills of both an accountant and a lawyer. The analytical skillset and financial acumen of an accountant comes in handy in taxation, however understanding the law is imperative. This is something I realised early on in my career, hence why I decided to study law post my accounting training to become a dual-qualified accountant and lawyer. The benefit of this is that I am able to research complex tax law in order to provide practical and financially sound advice to clients.

## **How do you stay updated with the constantly changing tax laws and regulations?**

As a tax professional, a commitment to lifelong learning is necessary. I stay abreast of new tax issues by reading daily tax updates and articles, undertaking structured training, and getting involved in discussion groups with other tax practitioners. At this stage in my career, I have the privilege to train other staff and present at external forums which, in turn, is incredibly useful for my own learning.

## **Outside of work, what do you enjoy doing? Any hobbies or interests that you'd like to share?**

A career in tax can be quite intense and deadline-driven at times, so it is important to take care of your mental and physical health. Being a morning person, I like to set aside some time for myself before the day starts to go to the gym and practice some form of meditation and yoga.

When I have time off from work, I enjoy going on overseas holidays with my wife and 6-year-old son. My most recent trip was to Japan, and I absolutely loved it.

## **Can you describe some ways in which technology has transformed tax consulting? How has the role of a tax consultant evolved with the advent of digital tools and platforms?**

When I first started working in tax, the 'go-to' source for tax research was physical copies of the tax legislation, handbooks, and other printed materials. Tax research has become a lot easier these days with powerful search engines and electronic databases with a vast amount of information. I still find physical copies of the Tax Acts useful as you can clearly see how the law is structured. This allows you to get a better understanding of the context in which certain provisions are written.

Whilst technology has changed the way we research the law, the role of a tax advisor has largely remained unchanged. Tax consultants continue to play a critical role in navigating the complexities of the law and managing tax risks for clients.

## **What challenges does the digital age present for tax consulting, and how are we prepared to address them?**

There is a myriad of challenges for tax consultants in the digital age. One of the areas that has received a lot of coverage these days is Artificial Intelligence (AI) and how this could make the jobs of accounting and tax professionals redundant. I find this hard to envisage for advisory and consulting-based roles as humans bring creativity and emotional intelligence that AI would be unable to replicate.

Another area that has been particularly challenging for tax consultants in recent years and will continue to be so, is the taxation of digital assets such as cryptocurrency. We currently have no specific tax legislation governing this area.

**For more information, contact Gaurav Chitnis on (08) 9227 7500.**

# IMPORTANT DATES

## Important Tax Dates

during the period 1 September 2023 to 31 December 2023

August monthly BAS & IAS (PAYG Withholding)	21/09/23
September monthly BAS & IAS (PAYG Withholding)	21/10/23
Annual PAYG Instalment	21/10/23
July to September quarterly BAS & IAS due	28/10/23
Deadline for making superannuation contributions for the quarter ending 30 September 2023 to avoid incurring penalties	28/10/23
October monthly BAS & IAS (PAYG Withholding)	21/11/23
Large taxable business taxpayers (total income > \$10m) final payment of 2023 tax due to the Australian Taxation Office (tax return due 31/01/24)	1/12/23
November monthly BAS & IAS (PAYG Withholding)	21/12/23

*When a due date falls on a weekend or public holiday, you can lodge and pay on the next business day.*



## Important Reporting Dates

for Listed Public Companies during the period 1 September 2023 to 31 December 2023

Preliminary reports (Industrials)	31/08/23
Half year reports (December year end - Industrials)	31/08/23
Half year reports (December year end - Other)	13/09/23
Audited Financial reports	29/09/23
ASX Quarterly reports	31/10/23
Annual Reports	31/10/23

## Important Reporting Dates

for Other Entities during the period 1 September 2023 to 31 December 2023

Settlement Agents Trust Account (Audited)	29/09/23
AFSL (Disclosing entity - Audited)	29/09/23
Large Proprietary Company (Audited)	31/10/23
Unlisted Public Company (Non-disclosing entity)	31/10/23
AFSL (Licensee is a body corporate that is not a disclosing entity - Audited)	31/10/23



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