

# CLIENT ALERT

Autumn 2024



## EMBRACING 2024: INNOVATION AND IMPACT



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Like most organisations in the business community, we've really hit the ground running in 2024 at HLB Mann Judd Perth.

Throughout January we underwent an extensive office renovation which has brought a positive change to the Perth office environment. This transformation and modern open plan office design emphasises collaboration and social interaction among our staff, and encourages discussions, brainstorming sessions, and knowledge sharing. The addition of comfortable communal areas and breakout spaces has created inviting environments for our team members to connect, both professionally and socially.

As a member of the HLB International network, we are also committed to the network's "People First" strategy which forms part of our mission to create a positive and sustainable impact on a local and global scale. This innovative strategy revolves around five key strategic pillars: People, Advisory Culture, Marketing & Business Development, Technology, and Network ESG.

While all five pillars will remain crucial to our long-term success, two particularly stand out as immediate priorities:

**People:** Our team lies at the heart of our organisation and we recognise that investing in our staff is the key to achieving our goals. We are dedicated to providing continuous opportunities for growth and development, ensuring that every member of our team has the tools and resources they need to excel within an inclusive work environment that encourages diversity, equity, and continuous learning. Our efforts in this area are reflected in HLB Mann Judd's recent nomination in the Australian Financial Review's top 100 graduate employers list which represents all sectors that hire graduates.

**Network ESG:** Our commitment to sustainability extends beyond our firm and into our global network, underlining our dedication to environmental, social, and governance principles locally, nationally and globally.

We believe that a responsible and ethical approach to business is not only a moral imperative but also a competitive advantage.

Among the remaining pillars, "Advisory Culture" will ensure we cultivate a working environment that emphasises collaboration, innovation, and excellence, allowing us to adapt to evolving client needs and industry trends while maintaining the highest standards of professionalism. In "Marketing & Business Development" we will continually identify opportunities and leverage our global network to better serve our clients and position ourselves as industry leaders. Embracing technological advancements is crucial in the "Technology" pillar, ensuring we continuously adapt to technological changes, adopting cutting-edge tools and systems to enhance our services and improve efficiency in order to provide innovative solutions for our clients.

Our commitment to the "People First" strategy also extends to our local community, particularly through our annual Team Focus Day which took place in December last year when around 80 of us dedicated our time to support a local charity, Uniting WA. We immersed ourselves in the work of Uniting WA, gaining insights into their services and assisting by preparing meals, assembling Christmas hampers, building furniture and contributing to their critical support for the vulnerable and disadvantaged members of our community.

For our clients and members of the HLB community, we have an extensive events program planned for 2024 which will cover important topics that are relevant in the current economic environment and that will extend across the firm's four main divisions: Wealth Management, Corporate & Audit Services, Tax Consulting and Business Advisory. We look forward to catching up with you at these functions throughout the year.

We are excited about the possibilities that lie ahead in 2024. Our commitment to innovation, sustainability, and community engagement will remain our top priorities. Together, we are building brighter futures for our people, clients, and the communities around us.

**Thank you for being part of this journey, and we look forward to a very exciting 2024.**

## TAXING TIME AHEAD FOR NOT-FOR-PROFITS



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Tens of thousands of not-for-profit (NFP) organisations in Western Australia are facing more stringent reporting obligations that could result in loss of tax-exempt status and carry potential penalties from the Australian Taxation Office (ATO) for non-compliance.

As of July 1, NFPs of all sizes will need to lodge an annual self-review return to the ATO to continue to access income tax exemptions.

There are up to an estimated 600,000 NFPs in Australia, and only 60,000 officially registered as charities (plus those already paying tax) will be exempt from the reporting requirements.

The changes apply a broad brush approach in a push for increased transparency which will impact grassroots

community organisations such as sporting clubs, and cultural associations covered by the new rules.

Under the updated system, the Commissioner of Taxation will be able to consider removing an NFP's tax exemption or impose penalties for non-compliance with reporting.

These changes were first mooted in the 2021-22 Federal Budget but there has been limited discussion or information since and the self-review 'return' is still to be released.

My concern is that these smaller NFPs are often run by volunteers and this imposes another responsibility on them that they may be either unaware of, relies on organisations to have the internal capability to self-report or the finances to seek external advice.

Rather than opt for targeting specific types of entities or putting in place reporting criteria based on income thresholds, these regulations are based on a catch all model.

NFPs should continue to monitor ATO updates on the changes or, if able, consider seeking professional advice on their obligations.

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

## BEWARE THE 'HIDDEN' INHERITANCE TAX INSIDE YOUR SUPER



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A common question amongst Australians as they move towards retirement is: "Have I got enough super?" But, there's another potentially more confronting issue to consider: What happens to my superannuation when I die?

It is essential to plan for your retirement goals and life after work but, in my experience, many people don't understand the potential ramifications of death on their super balance and how it is treated.

It's not something that most of us like to consider but the issue is often poorly understood and a bit of a minefield. As an example, there are restrictions on who you can leave your superannuation to, and how death benefits around super are taxed.

Taxation on death benefits from superannuation can be complex and peoples' assumptions don't necessarily apply. Our superannuation balance comprises of both a tax-free portion and a taxable portion of the funds in your account.

It is like a hidden inheritance tax. For example, if you die and have a surviving spouse or partner, the superannuation holding can go to them tax free. If that's not the case, and the money is left to your adult children then the taxable portion of your super balance could have 15% tax applied plus another 2% for the Medicare Levy.

There are strategies which could be used to legally minimise this tax, such as taking cash out and recontributing it back into your account once you can access your superannuation.

Who the benefits will go to can also be a vexed question. You cannot just leave super money to anybody. It needs to be a spouse/partner, your children or someone financially dependent on you. If that doesn't apply then leaving it to your Legal Personal Representative is likely the best option.

This type of planning is not just for middle-aged or older members of the community. For example, young singles with no children likely cannot leave their superannuation to their parents or their friends, especially if they don't rely on you for financial support.

**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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## RESOURCES SECTOR ANALYSIS: A MARKET IN FLUX



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It was a year of contrasts for the resources sector during 2023. While some commodities performed very strongly, others surprisingly struggled.

Iron ore was one of the few areas that did well. Prices remained strong throughout the year, and well above the cost of production. Demand from China for iron ore supported prices, although whether this level can be sustained in 2024 remains to be seen.

The performance of gold continued to be very muted throughout 2023. Whilst traditionally a safe haven during inflation, gold struggled to break through the \$2000 per ounce mark in 2023, deviating from historical norms in times of inflation.

Another surprise was the collapse in the price of nickel, despite its crucial role in rechargeable batteries. It finished 2023 at around half its initial value. This decline was largely attributed to oversupply in the nickel market. Other metals such as zinc and lithium also experienced decreases, while copper remained steady, albeit below initial expectations.

Across the board, producers struggled with rising costs during 2023. Labour costs increased sharply throughout

the resources sector, particularly in Australia which has been competing with cheaper producers overseas. For producers of those metals which experienced a significant drop in price throughout the year, this brought into question the viability of current operations and there were a number of instances where producers announced plant closures or voluntary administration.

Another significant factor affecting the resources sector was the ongoing cash rate increases from the Reserve Bank of Australia (RBA). With investors able to access a risk-free return from banks of 5%, there was a shift in capital out of the share market into term deposits and the like, which made it significantly harder to raise funds in the IPO market, impacting junior explorers who have few other alternatives for raising capital.

In 2023, the resources sector saw 24 IPOs, primarily in lithium (8), followed by gold (5) and rare earths (6). Only one, hydrogen producer Gold Hydrogen Limited (ASX: GHY), listed in the Energy sector. Most IPOs were well-subscribed, with just two not achieving their targets. However, the amounts raised were small, with 19 of the 24 listings seeking amounts under \$10 million.

During the boom times, acquiring drills and rigs required long lead times. However, recently with some drillers seeking work, it may indicate a slowdown in the market.

Looking ahead to 2024, the resources sector anticipates a tough year, particularly if the RBA continues to increase interest rates. The sector's prospects may improve if gold prices break the \$2000 level or if lithium experiences a surge, sparking greater interest in junior explorers.

**An extended version of this article appeared in HLB Mann Judd's IPO Watch Australia Report, published in January 2024. For more information, contact Brad McVeigh on (08) 9227 7500.**

## BALANCING PARENTHOOD: A MANAGER'S PERSPECTIVE



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I'm one of the many working parents here at HLB Mann Judd in Perth, holding the position of Manager in our Corporate & Audit Services division. I joined as a Graduate in 2010. I had my first child in 2015 and my second in 2017, taking time off after both and returning to work on a part-time basis. Typically, I worked 0.6FTE but during busy seasons and with the allowance for working from home, I would flex up to 0.8FTE to help the team. The Partners were always open to my changing work patterns as family life settled, and childcare arrangements were locked in between my husband, daycare, and helpful grandparents (and myself!).

In 2023, a new era of parenthood arrived with both kids in full-time school. However, with school aged children, a myriad of sports and activities inevitably follow. I started

working across all five weekdays but with differing start and finish times to accommodate school drop-offs, pick-ups, and transporting the kids to their various sports and activities.

Balancing family and work life often gets challenging during busy audit times. I'm frequently rushing out of the office for the school run, trying to avoid freeway traffic, and breathing a sigh of relief when I get to school only a few minutes late. Work-from-home days are less rushed, and at HLB we're fortunate to be able to work up to two days from home outside of client commitments. For the remainder of the week, I will work from the office or at clients' locations. During busy seasons, I may log in after hours to catch up on emails or finish reviewing files, which isn't too different from the rest of the team responsible for their own jobs. Sometimes, it's quieter for me to be in the office for a few hours on the weekend or I'll send the family elsewhere to allow me to focus at home if needed.

I know my work-life balance as a working parent isn't always perfect, I'm not sure anyone could attest to that. But I am thankful for the flexibility and support from the Partners, the understanding from my colleagues, and the endless support from my husband and family.

**For more information, contact Kahlia Connolly on (08) 9227 7500.**

# IMPORTANT DATES

## Important Tax Dates

during the period 1 March 2024 to 30 June 2024

February monthly BAS & IAS (PAYG Withholding)	<b>21/03/24</b>
Companies and Superannuation Funds last year with total income > \$2m but < \$10m, 2023 income tax return and final payment of tax due to the ATO	<b>31/03/24</b>
Individuals and Trusts with final tax payable last year > \$20,000, 2023 income tax return due to the ATO	<b>31/03/24</b>
End of the 2024 Fringe Benefits tax year	<b>31/03/24</b>
March monthly BAS & IAS (PAYG Withholding)	<b>21/04/24</b>
January to March quarterly BAS & IAS	<b>28/04/24</b>
Deadline for making superannuation contributions for March 2024 quarter to avoid incurring penalties	<b>28/04/24</b>
Companies and Superannuation Funds last year with total income < \$2m, 2023 income tax return and final payment of tax due to the ATO	<b>15/04/24</b>
New Companies registered with no previous lodgement history, 2023 income tax return and final payment of tax due to the ATO	<b>15/05/24</b>
Individuals and Trusts with tax payable last year < \$20,000, 2023 income tax return due to the ATO	<b>15/05/24</b>
April monthly BAS & IAS (PAYG Withholding)	<b>21/05/24</b>
Companies and Superannuation Funds, non-taxable or refund received last year as well as non-taxable or refund in current year, 2023 income tax return due to the ATO where original lodgement due date is 15 May 2024	<b>05/06/24</b>
Individuals, Partnerships and Trusts non-taxable or refund in current year, 2023 income tax return due to the ATO where original lodgement due date is 15 May 2024 (also applicable if in payable position, provided you lodge and pay by this date)	<b>05/06/24</b>
May monthly BAS & IAS (PAYG Withholding)	<b>21/06/24</b>
2024 Fringe Benefits Tax (FBT) returns lodgement and payment due date	<b>25/06/24</b>
Superannuation guarantee contributions payment due date to qualify for income tax deduction in the 2023-24 financial year	<b>30/06/24</b>

*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 March 2024 to 30 June 2024

Half Yearly Reports (Reviewed - ASX Listed Explorers only)	<b>15/03/24</b>
Half Yearly Reports (Reviewed - Unlisted Disclosing)	<b>15/03/24</b>
Annual Financial Report (December Year End - Audited - ASX Listed)	<b>28/03/24</b>
Annual Financial Report (December Year End - Audited - Unlisted)	<b>28/03/24</b>
Annual Report to shareholders (December year end - ASX listed)	<b>30/04/24</b>

## Important Reporting Dates

for Other Entities during the period 1 March 2024 to 30 June 2024

Real Estate Agents Trust Account (Audited)	<b>28/03/24</b>
Audit of Legal Practitioners' Trust Accounts	<b>31/05/24</b>



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