

# NSW Fishing industry - What do you need to do for tax and super?

## Check you have the right tax registrations

There are two common Australian government taxes you might need to register your business for.

**Pay as you go withholding (PAYGW)** – You need to register when you have to pay:

- employees (eg deckhands)
- contractors – if there is a voluntary agreement
- other businesses – if they have not given you their Australian business number (ABN).

**Goods and services tax (GST)** – You need to register if your business turnover is \$75,000 or more in any 12 month period (after you have taken off any GST). You can choose to register for GST if your turnover is below this amount.

## Lodging and paying your BAS

### Lodging your BAS

You can lodge your business activity statements (BAS) electronically, by phone or mail. You still need to lodge your BAS even if you have nothing to report.

If you have nothing to report at any label you can phone **13 72 26** to lodge your monthly or quarterly BAS. You can call this automated service 24 hours a day, seven days a week.

You can choose to use a registered tax practitioner to help you lodge your BAS.

### Paying your BAS

You can pay your BAS by BPAY®, direct credit, direct debit, mail or in person at Australia Post. Remember your payment must be made by the due date.

Even if you cannot pay on time, it's important to make sure you still lodge your BAS on time.

If you lodge your BAS online, you may be able to get two extra weeks. For help going online you can phone **13 28 66**.

If you are having trouble paying on time, the Australian Taxation Office (ATO) can work with you to create a payment plan.

## Income, deductions and your tax return

Income you make from your business needs to be included in your tax return. This income is used, along with any deductions you may be able to claim, to work out how much tax you need to pay each year.

Generally, when working out the income of your business, you must include amounts you get (or earn) in the course of running your business, such as from selling your catch.

You can claim a deduction for expenses that directly relate to earning your business income. You need to keep records of your expenses.

The tax returns you need to lodge and when you need to lodge, depend on the kind of business structure you have.

Business structure	Declare
Sole trader (can be known as, individual in business or working for yourself)	Your business income in your individual tax return.
Partnership	Your partnership income in your individual tax return.  The partnership will also need to lodge a partnership return.
Trust	The trust will need to lodge a trust return.  Declare any trust distribution you receive in your individual tax return.
Company	The company will need to lodge a company tax return.  Declare any salary or wages you receive including any other payments such as director's fees or income from dividends in your individual tax return.

Individual, Partnership and Trust tax returns are due by 31 October unless you lodge through a registered tax practitioner.

Company returns are generally due by 28 February each year unless you lodge using a registered tax practitioner.

## Putting money aside for your tax bill

The pay as you go instalments (PAYGI) system means you can make regular payments towards your expected yearly tax bill.

There are two ways you can arrange to pay instalments:

- you can register voluntarily by phoning **13 28 66**
- the ATO will automatically add you to the PAYGI system when your business or investment income reaches a certain level.

### Voluntary entry

If you think you are going to make a profit on your business or investment income, you can choose to enter the PAYGI system. This reduces the chances of having to pay a large amount at the end of the year.

### Automatic entry

The ATO will contact you after you lodge a tax return with business and/or investment income if you need to start paying PAYGI. There will be options available to help you work out your instalments and how often you need to pay.

You can vary your PAYGI if you think the rate or the amount does not match your expected tax bill for the year.

You can talk to your registered tax practitioner for advice.

## Keeping your business records

The records you need to keep include:

- receipts and invoices for goods and services you buy or sell
- all employee and contractor records
- bank statements
- depreciation schedules
- documents relating to the purchase of assets, including licenses and quotas.

Your tax records need to:

- be in writing, either on paper or electronically
- be in English
- explain all transactions.

The length of time you need to keep different tax records depends on the type of record and your business structure.

If you need help, contact your registered tax practitioner about the best system for you.

## Employees and contractors

If you are hiring someone, the first thing is to work out if the person is an employee or a contractor.

The easiest way to check if the person you are hiring is an employee or contractor is to use the *Employee/contractor decision tool*, at [ato.gov.au/ec](http://ato.gov.au/ec).

If you have employees you will need to:

- take tax out of their wages (PAYGW)
- report the tax you have taken out on your BAS
- pay the amount to the ATO
- pay the super amount to their fund.

If you have contractors working for you, you only need to take tax out of their payment if they:

- don't give you their ABN
- ask you to take tax out of their payments under a voluntary agreement.

Remember, it is against the law for any business to treat their employees as contractors, so you need to make sure you have got it right.

## Paying super for your employees

In most cases, if you pay an employee \$450 or more (before you take tax out) in a calendar month, you will have to pay super for them. It's important to remember that the super you pay is on top of what you pay in wages.

If you have a contractor that you pay mainly for their labour you will need to pay super for them as well.

You need to:

- give them a *Standard choice form* to complete – you can order a paper copy by phoning our publications ordering service on **1300 720 092**
- choose a super fund to use if your employee can not or does not choose their own fund
- pay at least the current minimum 9.5% to their super fund each quarter
- send your employee's tax file number (TFN) to their super fund
- keep records.

You need to pay super and send employee information electronically to the fund. This means you will need to have an electronic system set up. You can get help from your super fund or use the free super clearing house set up by the ATO.

## When is selling seafood GST free?

Generally, if you are registered for GST you:

- include GST in the amount you charge for the goods you sell
- claim credits for the GST included in the price of any goods or services you buy for your business.

You do not have to add a GST amount to your sale price if you are selling seafood that is supplied for human consumption.

This is as long as it is sold whole, in fillets, pieces or portions and is raw, fresh, frozen, smoked, or tinned, but not hot (eg sold as a meal).

The following are subject to GST:

- sales of live fish (except molluscs and crustaceans such as crabs, lobsters and oysters)
- seafood not sold for human consumption, eg pet food
- breeding stock (eg oyster spat or fingerlings).

If you need help, contact your registered tax practitioner.

## What happens when you sell or transfer a fishing license or quota?

If you transfer a fishing license or quota to someone else you will generally have to pay GST, like the sale of any other business asset (eg a fishing boat).

Sometimes, the transfer of a fishing license or quota might be GST-free, if it is part of a sale of a going concern. For example, you sell a fishing business to someone, including all the licenses/quotas, and everything else they need to carry on the business.

When you dispose of a business asset, you might also be subject to capital gains tax (CGT), but in some cases CGT concessions can reduce your CGT liability.

You may wish to seek professional advice from a registered tax practitioner before entering into complex transactions involving the disposal of business assets.

## Getting an invoice when someone else sets the price of your sale

In most cases, a business who sells goods would give an invoice to the person who buys the goods (the recipient). If the business that buys your catch sets the price, you will need a recipient-created tax invoice (RCTI) from them to complete your BAS.

For you to get a RCTI, both you and the business that buys your catch need to:

- be registered for GST
- have a current agreement in writing that they will create the invoice instead of you.

If you are not sure you should contact a registered tax practitioner.

## Commercial fishing industry joint venture

Some owners and skippers engaged in commercial fishing are eligible to form a joint venture for GST purposes.

It is unlikely that crew members will meet the requirement for joint venture membership. You need to obtain approval from the ATO to operate a GST joint venture.

Only the GST joint venture operator pays GST and claims any credits. To ensure activity statements are accurate, other members of the venture must keep accurate records of their income and expenses for the operator to use.

Joint ventures are complex business arrangements. You may wish to seek professional advice before deciding if you should be part of a joint venture.

## Selling or closing your business

Before you sell or close your business you may have to finalise some GST, employee, contractor or other obligations.

You will have to keep records relating to:

- sales (including the sale of your business) and purchases
- payments to employees
- payments to other businesses.

You need to keep your business records for at least five years after the end of the financial year in which you sell or close your business.

You can phone the ATO on **13 28 66** and we can tell you what you need to do.

## Getting help

You can call the ATO to get information or help.

You can:

- use our phone self-help service
- arrange an after-hours call back
- speak directly with a customer service representative.

To make it easier for us to help you make sure you have your TFN or ABN handy before you call.

### Self-help for business – call 13 72 26

You can lodge your:

- BAS (if you have nothing to report)
- annual GST return (if you have nothing to report)
- GST or PAYG instalment annual elections.

### Small business after-hours call-back – call 13 28 66

We can call you back between 6pm and 9pm (AEST), Monday to Thursday, except on national public holidays.

### Speak with a customer services representative

- for general business enquiries - call **13 28 66**
- if your enquiry is about a debt - call **13 11 42**
- if you are from a non-English speaking background – call **13 14 50**.

You can call:

- 8.00am-8.00pm, Monday-Friday
- 10.00am-4.00pm local time on Saturday except national public holidays.

Please note: A limited service will operate between 6.00pm-8.00pm on weekdays.

### Supporting your small business

We offer a range of tools and services online to help make it easier for you to get your tax and super right. It is part of our commitment to improving your tax and super experience.

Go to [ato.gov.au/sbsupport](https://ato.gov.au/sbsupport) for information on:

- managing your tax and super online
- tax and super on the go – using the ATO app
- the different tools and calculators available.

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#### Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations. If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

This publication was current at [April 2017](#).

### Use a registered tax practitioner

A tax practitioner can help you prepare or lodge your tax returns, notices or statements, or provide you with tax advice.

Tax practitioners include:

- tax agents
- BAS agents
- tax (financial) advisers.

Before accepting the services of a tax practitioner, make sure they are registered with the Tax Practitioners Board (TPB).

Financial advisers who provide tax (financial) advice services for a fee or other reward also need to be registered.

### NSW Department of Industry

You can speak to a fisheries manager by phoning **1300 726 488**.



**Australian Government**  
**Australian Taxation Office**

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