



Inside this issue:

Recovery Phase Support as JobKeeper Ends	1
Changes to STP Reporting Concessions from 1 July 2021	3
Avoiding Disqualification from SG Amnesty	4
SMSF Related Party Rental Income Deferrals due to COVID-19	4
Paper PAYG and GST Quarterly Instalment Notices	5
Cash Payment Limit Bill Shelved	5
ATO Data-Matching Programs	5
DocuSign Update	6
QBO Update - Is your QBO File up to Date?	6
Quickbooks are Changing Payroll Pricing	6
Improving Work Place Relationships and Group Productivity	7
Lodgement Obligations	9
Staff & Client News	10

CLIENT INFORMATION BULLETIN

Welcome to this Autumn edition of our Newsletter! In this edition, we examine a range of Government support measures available to businesses as JobKeeper ends. We further consider changes to the STP reporting concessions, remind clients qualifying for the superannuation guarantee amnesty of their payment obligations, examine the ATO determination regarding SMSF related party rental income deferrals and outline some additional topics of interest.

Please also note the updated DocuSign procedures, proposed interim tax planning procedures and the QBO payroll pricing changes. For your interest, we have also included an article on improving workplace relationships and a funny Mark Knight cartoon.

In our staff news section we are delighted to announce the arrival of gorgeous Winnie, a new baby girl for Sean O'Neill and his wife Bec. And finally, we wish our clients and their families a restful Easter break and an abundance of chocolate eggs!

Recovery Phase Support as JobKeeper Ends

As the JobKeeper program comes to close at the end of March, the Morrison Government has announced additional measures to support the economic recovery and provide continued assistance to businesses, workers and regions still experiencing difficulties. Some of the more relevant measures for businesses will be examined in further detail, but clients are encouraged to contact our office should they have any questions.

SME Loan Guarantee Scheme

The Government has expanded and extended the SME Loan Guarantee Scheme to provide support of up to \$40 billion in lending to small and medium enterprises. An increase in the Government guarantee will see the current 50/50 split between Government and the banks increase to an 80/20 split.

The size of eligible loans will increase from \$1 million to \$5 million and businesses with a higher turnover will also become eligible with the maximum eligible turnover increasing from \$50 million to \$250 million. Maximum loan terms under the expanded Scheme will also be increased from 5 to 10 years and will also allow lenders to offer borrowers a repayment holiday of up to 24 months.

The Scheme may be used by eligible businesses to refinance their existing loans. This will allow SMEs to access the more concessional interest rates available under the program and to better manage their cash-flows through an extended loan term and lower combined repayments.

The Scheme is open to recipients of the JobKeeper payment between 4 January 2021 and 28 March 2021. Business that have accessed loans in Phases 1 and 2 can also apply for loans under the scheme. Loans will be available from 1 April and must be approved prior to 31 December 2021.

T: (03) 5224 1022 F: (03) 5223 1909 www.kellyassoc.com.au

PRINCIPAL
Ambrose Kelly
ambrose@kellyassoc.com.au

GEELONG
183 Little Malop Street
PO Box 4157, Geelong VIC 3220

BARWON HEADS
50 Hitchcock Avenue
Barwon Heads VIC 3227



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Liability limited by a scheme approved
under Professional Standards Legislation

Recovery Phase Support as JobKeeper Ends (cont'd)

Homebuilder Extension

The Government's HomeBuilder program has been extended to 31 March 2021. The scheme is expected to support the construction or major rebuild of an additional 15,000 homes.

There is also an extended deadline for all applications to be submitted, including those applying for the \$25,000 grant and the new \$15,000 grant.

Applications can now be submitted up until 14 April 2021 (inclusive). This will apply to all eligible contracts signed on or after 4 June 2020. The property price cap for new building contracts has also been increased in Victoria to \$850,000. For further information please refer to our website.

Changes to Insolvency Framework

The Government has made changes to corporate insolvency laws which are intended to reduce costs, cut red tape and help more small businesses recover from the pandemic. The reforms introduce a new, simplified debt restructuring process.

The changes reflect a 'debtor in possession' model and means that the director of a debtor company remains in place during the relevant moratorium period and does not have to hand over control of the business to an external insolvency accountant.

This new model provides for eligible businesses to work with specialist restructuring practitioners to restructure existing liabilities under a restructuring plan approved by creditors.

These measures apply to incorporated businesses with liabilities of less than \$1 million – covering around 76% of businesses subject to insolvencies today, 98% of which have less than 20 employees.

JobMaker Hiring Credit scheme: Claims open from 1 February 2021

The JobMaker Hiring Credit is being administered by the ATO and provides a wage subsidy payment directly to employers as an incentive to employ additional job seekers aged 16 to 35 years.

Registrations for the JobMaker Hiring Credit scheme opened on 7 December 2020, and claims for the first JobMaker period can be made from 1 February 2021, provided employers are registered and meet all eligibility requirements.

Employer eligibility requirements include that applicants:

- ❑ are up to date with their tax and GST lodgment obligations for the last 2 years;
- ❑ have not claimed JobKeeper payments for a fortnight that started during the JobMaker period; and
- ❑ are reporting through Single Touch Payroll.

The ATO will be writing to employers who have registered for the JobMaker Hiring Credit from 15 January 2021, encouraging them to check that they meet all JobMaker Hiring Credit eligibility criteria before they claim.

Should clients have any queries regarding the various measures outlined above please contact your accountant for further clarification and advice.

T: (03) 5224 1022 F: (03) 5223 1909 www.kellyassoc.com.au

PRINCIPAL
Ambrose Kelly
ambrose@kellyassoc.com.au

GEELONG
183 Little Malop Street
PO Box 4157, Geelong VIC 3220

BARWON HEADS
50 Hitchcock Avenue
Barwon Heads VIC 3227



Chartered Accountants
Australia & New Zealand
Liability limited by a scheme approved
under Professional Standards Legislation

Changes to STP Reporting Concessions from 1 July 2021

Small employers (19 or fewer employees) are currently exempt from reporting 'closely held' payees through Single Touch Payroll ('STP'). A quarterly STP reporting option also applies to micro employers (four or fewer employees). Both of these concessions for small and micro employers will end on 30 June 2021.

The STP reporting changes that apply for these employers from 1 July 2021 are outlined below.

Closely held payees (small employers)

From 1 July 2021, small employers must report payments made to closely held payees through STP using any of the options below. Other employees must continue to be reported by each pay day.

A 'closely held payee' is an individual who is directly related to the entity from which they receive payments. For example, this could include family members of a family business, directors or shareholders of a company and beneficiaries of a trust.

Payments to such payees can be reported via STP (from 1 July 2021) using any of the following options:

1. **Report actual payments on or before the date of payment.**
2. **Report actual payments quarterly** on or before the due date for the employer's quarterly activity statements.
3. **Report a reasonable estimate quarterly** on or before the due date for the employer's quarterly activity statements. Penalties may apply for those that under-estimate amounts reported for closely held payees.

Small employers with only closely held payees have up until the due date of the payee's tax return to make a finalisation declaration. Employers will need to speak with these payees about when their individual income tax return is due.

Micro employers

From 1 July 2021, the quarterly reporting concession will only be considered for eligible micro employers experiencing 'exceptional circumstances'.

Common examples of when the ATO would generally consider it to be fair and reasonable to grant a deferral due to exceptional or unforeseen circumstances include natural disasters, other disasters or events, serious illness or death.

Further, 'exceptional circumstances' for access to the STP quarterly reporting concession from 1 July 2021 may include where a micro employer has:

- seasonal or intermittent workers; or
- no or unreliable internet connection.

The ATO says it will consider any other unique circumstances on a case-by-case basis.

It should be noted that registered agents must apply for this concession and lodge STP reports, quarterly, on behalf of their eligible micro employer clients.

The STP reports are due the same day as the employer's quarterly activity statements. If an employer prefers to report monthly, the STP reports must be lodged on or before the 21st day of the following month and finalisation declarations will need to be submitted by 14 July each year.

T: (03) 5224 1022 F: (03) 5223 1909 www.kellyassoc.com.au

PRINCIPAL
Ambrose Kelly
ambrose@kellyassoc.com.au

GEELONG
183 Little Malop Street
PO Box 4157, Geelong VIC 3220

BARWON HEADS
50 Hitchcock Avenue
Barwon Heads VIC 3227



Chartered Accountants
Australia & New Zealand
Liability limited by a scheme approved
under Professional Standards Legislation

Avoiding Disqualification from SG Amnesty

The superannuation guarantee ('SG') amnesty ended on **7 September 2020**. Employers who disclosed unpaid SG amounts and qualified for the amnesty are reminded that they must either pay in full any outstanding amounts they owe, or set up a payment plan and meet each ongoing instalment amount so as to avoid being disqualified and losing the benefits of the amnesty.

The ATO will be sending employers reminders to pay disclosed amounts, if they have not previously engaged with the ATO. Employers will have 21 days to avoid being disqualified from the amnesty.

Registered agents can assist their employer clients who qualified for the SG amnesty avoid disqualification. In particular, if a client needs to set up a payment plan, agents can do this (online) on their behalf, if the employer:

- has an existing debit amount **under \$100,000** (total balance or overdue amounts);
- does not already have a payment plan for that debit amount; and
- has not defaulted on a payment plan for the relevant account more than twice in the past two years.

The ATO has advised that employers who are disqualified from the amnesty will:

- be notified in writing of the quarter they are disqualified for;
- be charged an administration component of \$20 per employee for each disqualified quarter;
- have their circumstances considered when deciding a Part 7 penalty remission (this is an additional penalty of up to 200% of the unpaid SG amount that may be imposed under the SG laws); and
- be issued with a notice of amended assessment.

Employers who continue to qualify for the SG amnesty are reminded that they can only claim a tax deduction for amounts paid on or before 7 September 2020 (i.e., the amnesty end date).

SMSF Related Party Rental Income Deferrals due to COVID-19

The ATO has made a determination to ensure that trustees of SMSFs do not inadvertently breach the "in-house asset rules" where the fund allows a related party to defer the payment of rent under a lease agreement (on arm's length terms) because of the financial impact of COVID-19.

Where the requirements of the determination are met, the deferral of rent will not be treated as a "loan" or "financial accommodation" to the related party in either or both of the 2019/20 or 2020/21 income years.

The determination also applies where an SMSF owns interests in a "non-g geared" company or unit trust that allows a tenant to defer the payment of rent under a lease (on arm's length terms) because of the financial impact of COVID-19.

T: (03) 5224 1022 F: (03) 5223 1909 www.kellyassoc.com.au

PRINCIPAL
Ambrose Kelly
ambrose@kellyassoc.com.au

GEELONG
183 Little Malop Street
PO Box 4157, Geelong VIC 3220

BARWON HEADS
50 Hitchcock Avenue
Barwon Heads VIC 3227



Chartered Accountants
Australia & New Zealand
Liability limited by a scheme approved
under Professional Standards Legislation

Paper PAYG and GST Quarterly Instalment Notices

The ATO has previously advised that it will no longer issue paper activity statements after electronic lodgement. Instead, electronic activity statements will be available for access online, three to four days after the activity statement is generated.

As part of its digital improvement program, the ATO stopped issuing paper quarterly PAYG and GST instalment notices (forms R, S & T), where taxpayers had a digital preference on ATO systems. The September 2020 notice was the last one issued to these taxpayers.

However, the ATO has received feedback from tax professionals that issues have arisen for some of their clients as a result of this change. For example, some taxpayers who are self-lodgers rely on the receipt of the paper statements as a reminder that their instalments are due.

As an interim solution, the ATO said it will issue paper PAYG and GST quarterly instalment notices starting with the March 2021 quarterly notices. For taxpayers impacted by this change, the ATO will work with their registered agents to take their circumstances into account. The ATO has a range of practical support options available, including lodgement deferrals and payment plans that agents can access online, on behalf of their clients.

The ATO said it will continue to work with the tax profession to develop a digital solution for the PAYG and GST instalment notices that is workable for registered agents and their clients.

Please contact our office if you did not receive your paper activity statement for the December quarter and you believe a required payment may be outstanding.

Cash Payment Limit Bill Shelved

It appears that the Government has decided not to proceed with its proposal to limit cash payments in Australia to \$10,000. This measure was originally raised as part of the 2018/19 Budget, and the Government subsequently introduced a Bill to the House of Representatives, proposing to make it an offence for entities to make or accept cash payments of \$10,000 or more.

Although the Bill passed the House and was introduced to the Senate on 11 November 2019, it proceeded no further, and the Government withdrew the Bill from the Senate on 3 December 2020.

ATO Data-Matching Programs

The ATO announced it will engage in the following data-matching programs:

- ❑ it will acquire **motor vehicle registry data** from state and territory motor vehicle registry authorities for 2019/20 through to 2021/22, with records relating to approximately 1.5 million individuals to be obtained; and
- ❑ it will acquire data on Australian sales made through **online selling platforms** for the 2018/19 through to 2022/23 financial years, collecting 20,000 to 30,000 account records each financial year (with around half of the matched accounts relating to individuals).

These records will be electronically matched with ATO data holdings to identify non-compliance with registration, lodgement, reporting and payment obligations under taxation laws.

T: (03) 5224 1022 F: (03) 5223 1909 www.kellyassoc.com.au

PRINCIPAL
Ambrose Kelly
ambrose@kellyassoc.com.au

GEELOG
183 Little Malop Street
PO Box 4157, Geelong VIC 3220

BARWON HEADS
50 Hitchcock Avenue
Barwon Heads VIC 3227



Chartered Accountants
AUSTRALIA • NEW ZEALAND
Liability limited by a scheme approved
under Professional Standards Legislation

DocuSign Update

We are now using DocuSign for a variety of forms and authorities and enjoying the ease with which we can make documents available to you for electronic signing and return.

Please keep an eye out for documents delivered to you 'via DocuSign' in your email inbox and also junk folders. DocuSign will be used in conjunction with our existing Client Portal.

QBO Update - Is your QBO File up to Date?

We are quickly approaching 30 June and this year it will be important for you to consider your need for an interim tax planning review. Aside from the obvious examination of your profitability, there are also potentially significant tax implications that may result from various COVID support measures.

A review prior to 30 June will allow us to plan for and optimise the overall tax result. Please ensure your QBO or other file is current and up to date, in anticipation of an interim tax planning review in the near future. Your Accountant will be in contact with you shortly regarding your interim tax planning requirements.

Quickbooks are Changing Payroll Pricing

We have received notice from Intuit, the makers of Quickbooks, that they are changing payroll pricing. From 1 April, Quickbooks will charge \$2.50 a month for every employee you pay. If you use Advanced Payroll, there will be an additional \$5.00 monthly fee.

Despite these changes, Quickbooks Online continues to be competitively priced and Kelly & Associates will continue to offer 'at cost wholesale pricing', ensuring the program is available to you at the lowest possible cost. Our wholesale pricing provides a fifty percent discount on recommended retail prices.

Kelly & Associates will invoice the new payroll fees annually and an invoice will be issued in May. The invoice will include your usual Quickbooks subscription fee and new payroll fees, based on an estimated number of employees, for the period 1 April 2021 to 31 March 2022. The inclusion of payroll fees in our invoice provides access to our discounted pricing. All payments to KeyPay for payroll fees will cease.

We will require your approval of the new pricing and billing arrangements and will be in contact soon. However, if you require further details or you have concerns regarding the Quickbooks Online changes please contact your Accountant as soon as possible. We will be pleased to provide additional information and further discuss your payroll requirements.



T: (03) 5224 1022 F: (03) 5223 1909 www.kellyassoc.com.au

PRINCIPAL
Ambrose Kelly
ambrose@kellyassoc.com.au

GEELONG
183 Little Malop Street
PO Box 4157, Geelong VIC 3220

BARWON HEADS
50 Hitchcock Avenue
Barwon Heads VIC 3227



Chartered Accountants
AUSTRALIA • NEW ZEALAND
Liability limited by a scheme approved
under Professional Standards Legislation

Improving Work Place Relationships and Group Productivity

an article by Neville Brady from
brówsupcònsulting

Everyone can't be wrong

Living and working with people is not easy.

We can't avoid being part of a group. Every day we interact in one group and then another. Our social lives, our leisure time, and our working lives are filled with groups.

The *quality* of our groups – being socially connected and supported – has a significant impact on our overall health and wellbeing!

Small group social skills are key to unlocking improved performance

What determines the quality of our group? How well a group functions, and the quality of relationships within the group, is largely determined by the social skills of group members, especially the group's leader.

Advanced social and emotional skills lead to less conflict, more positive relationships among group members and higher achievement of group goals.

Researchers Thomas and Schmidt (1996) found that up to 25% of a manager's time was spent dealing with interpersonal conflict between staff and the cost in lost time and resources in dealing with conflict was around \$15,000 per annum per staff member.

Small group social skills include: problem solving, leadership, listening, conflict resolution, turn taking, putting in equal effort, assertiveness and communication.

So how do you structure your work group to ensure you keep costly conflict to a minimum and maximise collaboration and peer support?

Setting Work Colleague Support Standards

Early this year we were invited into a business employing 28 staff. The reason for the invitation was centred on two key staff members not getting along, and that their strained relationship had spread through the entire branch.

The real issue was poor performance measurement and feedback structures and a manager who did not have the necessary conflict resolution and assertive skills to fix the problem.

We supported the two staff to work through their issues and then we worked with all the staff develop their Work Colleague Support standards. At a meeting with staff, we asked them to list the qualities and behaviours of an ideal work colleague.

We then collated their responses into characteristics, which we placed into an assessment document where each staff member rated themselves and each other.

T: (03) 5224 1022 F: (03) 5223 1909 www.kellyassoc.com.au

PRINCIPAL
Ambrose Kelly
ambrose@kellyassoc.com.au

GEELONG
183 Little Malop Street
PO Box 4157, Geelong VIC 3220

BARWON HEADS
50 Hitchcock Avenue
Barwon Heads VIC 3227



Chartered Accountants
AUSTRALIA • NEW ZEALAND
Liability limited by a scheme approved
under Professional Standards Legislation

Improving Work Place Relationships and Group Productivity (cont'd)

The Colleague Support Standards measured their individual competencies in small group social skills, which included:

Punctuality – Arriving to work and meetings on time and making most of their time at work. Not wasting time on mobile phones and/or social media.

Work Quality – Completing tasks fully and accurately so as to make it easier for the next person.

Work Ethic – Looking for work instead of waiting for work to be assigned. Demonstrating an attitude of *nothing is too much trouble*.

Emotional Maturity – Not getting moody or grumpy when busy or stressed. Attacks problems, not people. Arrives to work in a good mood and maintains a good mood throughout the day.

Constructive and Supportive – Noticing when a colleague is struggling and offering to lend a hand. Not moaning about or criticising others behind their back. Putting forward their ideas on how to improve work practices.

Client Engagement – Quick to serve customers. Looks for sales opportunities and offers clients extra product and services without the client having to ask. Staff set a 75 per cent alignment rating that all managers and staff were expected to achieve. Each staff member received their score compared to the group average, the best score of the group and the 75 percent target.

As a result, the group dynamics changed, and the change was largely driven by staff.

We then cascaded *their* Work Colleagues Support Standards into the business' Employee Handbook, staff position descriptions and performance reviews so that managers were better equipped to resolve any future conflicts.

I was once asked if I could run a course on dealing with difficult people. My response: "No I can't, but I can run a course titled 'Dealing with people is difficult'."

Dealing with people is less difficult when managers:

- In collaboration with staff, set agreed work place support standards.
- Model the standards
- Measure actual performance against agreed standards
- And then provide feedback to staff

And if you as a manager or business owner do not model the behaviours you expect of staff, you will create cynicism and distrust. In other words, you'll be the one that everyone is complaining about!



T: (03) 5224 1022 F: (03) 5223 1909 www.kellyassoc.com.au

PRINCIPAL
Ambrose Kelly
ambrose@kellyassoc.com.au

GEELONG
183 Little Malop Street
PO Box 4157, Geelong VIC 3220

BARWON HEADS
50 Hitchcock Avenue
Barwon Heads VIC 3227



Liability limited by a scheme approved under Professional Standards Legislation

Lodgement Obligations

Date	Description
1st-14th April 2021	Lodge monthly declaration to claim JobKeeper payments for March
21st each mth 2020/21	Monthly IAS lodgement due — All lodgements
28 April 2021	Superannuation guarantee contributions to be paid
28 April 2021	Quarterly IAS/BAS lodgement due — paper
26 May 2021	Quarterly IAS/BAS lodgement due — electronically
15 May 2021	Final lodgement date of 19/20 individual tax returns

Good luck with any travel over Easter...a cartoon from Mark Knight!



Reproduced with permission thanks to Mark Knight and the Herald Sun

T: (03) 5224 1022 F: (03) 5223 1909 www.kellyassoc.com.au

PRINCIPAL
Ambrose Kelly
ambrose@kellyassoc.com.au

GEELONG
183 Little Malop Street
PO Box 4157, Geelong VIC 3220

BARWON HEADS
50 Hitchcock Avenue
Barwon Heads VIC 3227



Liability limited by a scheme approved under Professional Standards Legislation

Staff & Client News

Welcome Baby Winnie!

Congratulations to Sean and Bec on the safe arrival of gorgeous baby Winifred Jane O'Neill! Winnie arrived last Wednesday in the early hours of the morning, weighing a nice 3.2kg and measuring 51cm. She is extremely cute and doing all the right things for Mum and Dad. We are so excited to have a new baby in our midst and look forward to some lovely cuddles.



Welcome back to Alison

We welcome Alison back to the office from maternity leave. Alison will be working in the office on Wednesday and Thursday of each week. It is wonderful to have Alison return to the office and we hope you enjoy catching up with her as she resumes her client interactions.



*Wishing you a happy and safe Easter period from
Ambrose, Andrea and staff at Kelly & Associates!*

T: (03) 5224 1022 F: (03) 5223 1909 www.kellyassoc.com.au

PRINCIPAL
Ambrose Kelly
ambrose@kellyassoc.com.au

GEELONG
183 Little Malop Street
PO Box 4157, Geelong VIC 3220

BARWON HEADS
50 Hitchcock Avenue
Barwon Heads VIC 3227



Liability limited by a scheme approved
under Professional Standards Legislation