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CLIENT INFORMATION BULLETIN

Welcome to this latest edition of the Kelly and Associates Newsletter!

In this edition we examine the latest grants available for small to medium businesses impacted by COVID restrictions, the expanded eligibility criteria of the SME Recovery Loan Scheme and the winding back of COVID disaster payments. Further, we consider a dispute resolution option for businesses during an ATO audit and remind business owners of the need to respond to the recent casual employment changes prescribed in the Fair Work Act. Also included are a number of superannuation related articles and we particularly bring to your attention the super guarantee rate rise and contribution caps for 2022. We conclude the main section of the newsletter highlighting a support service assisting business owners to manage the unique pressures that can be associated with operating a small business.

In staff news, we are delighted to welcome a new staff member, share exciting baby news and announce winners of our footy tipping competition. We conclude the newsletter with Lachy Kelly's lockdown cookie recipe!

We are experiencing challenging times for business owners and we reach out to all clients to offer our assistance and support. If we can help in any way, please contact our office at your earliest convenience. Take care and we look forward to being able to welcome you to our office in the future.

Victorian Business COVID Support Update

With continuing COVID restrictions in place across Victoria, grants and other support measures are available for eligible Victorian businesses, particularly those most affected by the current restrictions. The Federal and Victorian Governments have committed to continuing financial support, in line with the reopening road map, during the next four to six week period at which point Victoria is expected to reach 80% vaccination rates.

In this section we outline the business support measures considered most relevant to our clients. Please contact our office if you require further assistance to assess your eligibility for the support measures outlined. The COVID Update section of our website may also be of assistance and provides a source of current and up-to-date information regarding grants and support measures.

Business Costs Assistance Program - Round Five

In a jointly funded program from the Commonwealth and Victorian Governments, grants will be provided to small and medium-sized businesses, in sectors affected by the current COVID restrictions until the 80% vaccination target is reached. The 80% vaccination target is expected to be reached in early November.

Only those businesses that have previously received or been approved for the Business Costs Assistance Program Round Two or July Extension grant will be eligible for the **Business Costs Assistance Program Round Five**.

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Victorian Business COVID Support Package (cont'd)

The **Business Costs Assistance Program Round Five** payments will range from between \$1,000 to \$8,400 per week, depending on the businesses' employment status and annual payroll size for the 2019-20 financial year.

Payments are made automatically and eligible businesses do not need to apply for the payment. Businesses that remain closed or continue to be severely restricted over the first two weeks of November will also receive automatic payments for that period.

Licensed Hospitality Venue Fund Payments

In another jointly funded initiative from the Commonwealth and Victorian Governments, eligible cafes, restaurants, hotels and bars across Victoria will receive automatic **Licensed Hospitality Venue Fund** payments of between \$5,000 and \$20,000 per week until the end of October, and continue into November at reduced rates.

Please note these payments are automatic and hospitality businesses that have previously received grants do not need to apply.

Grants Available for the Construction Industry

Construction businesses impacted by the two-week shutdown in Victoria from 21 September to 4 October may be eligible for support under the **Business Costs Assistance Program Round Four – Construction**. Under this assistance program, one-off grants of \$2,000 are available for eligible sole trader construction industry businesses, and one-off grants of between \$2,800 and \$8,400 for eligible employing construction industry businesses depending on their annual payroll.

Notably, eligible businesses must have incurred direct costs due to the two-week shutdown which have not been partially or fully recovered, and must not have received a Business Costs Assistance Program Round 2, Business Costs Assistance Program Round 2 – July extension payment or Small Business COVID Hardship Fund payment.

Applications for this grant open mid October 2021.

Commercial Landlord Hardship Fund 3

The **Commercial Landlord Hardship Fund 3** program offers grants to commercial landlords, with total taxable landholdings under \$3 million, who are waiving rent for their tenants as part of the Commercial Tenancy Relief Scheme.

The rent waiver must occur between 28 July 2021 and 15 January 2022 under the Commercial Tenancy Relief Scheme and landlords are required to demonstrate that commercial rent represents more than 50 per cent of their total gross income for the 2019-20 financial year.

Those eligible commercial landlords can apply for grants of up to \$6,000 per tenancy, although in cases of acute hardship, landlords may be eligible for grants of up to \$10,000 per tenancy.

Applications are now open for the **Commercial Landlord Hardship Fund 3**.

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Victorian Business COVID Support Update (cont'd)

Expansion of Support for SME's to Access Funding

The Government is providing additional support to small and medium sized businesses ('SMEs') by expanding eligibility for the SME Recovery Loan Scheme.

Specifically, in recognition of the continued economic impacts of COVID-19, the Government will remove requirements for SMEs to have received JobKeeper during the March quarter of 2021, or been a flood affected business, in order to be eligible under the SME Recovery Loan Scheme.

As with the existing scheme, SMEs who are dealing with the economic impacts of the coronavirus with a turnover of less than \$250 million will be able to access loans of up to \$5 million over a term of up to 10 years.

Other key features include:

- The Government guarantee will be 80% of the loan amount.
- Lenders are allowed to offer borrowers a repayment holiday of up to 24 months.
- Loans can be used for a broad range of business purposes, including to support investment, as well as to refinance any pre-existing debt of an eligible borrower.
- Loans can be either unsecured or secured (excluding residential property).

The loans will be available through participating lenders until 31 December 2021.

Small Business Digital Adaptation Program

The **Victorian Government Small Business Digital Adaptation Program** offers reimbursements of up to \$1,200 for digital improvements initiated between 15 November 2020 and 5 December 2021.

Small businesses interested in accessing digital tools to help with, for example, building or upgrading a website, improving cash flow, engaging in online marketing, introducing job or project management systems and keeping track of stock, may benefit from this program.

Products are available from 14 approved suppliers who have partnered with the Victorian Government for the program. The program begins with participating small businesses examining the free product trials and workshops before choosing one or more of the digital products to purchase. Once a purchase has been made, businesses can then apply for the rebate.

The rebate provides access to a product for a period of up to 12 months. Hardware associated with products from approved vendors may be eligible, providing a business purchases the relevant digital licence or subscription.

To be eligible for the rebate, products chosen by a business should be either a new product, involve the upgrade of an existing product with additional features, or the resumption of a product after a minimum twelve-month break.

There are a limited number of rebates in this program and clients are encouraged to explore their digital tool requirements as soon as possible.

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Winding Back the COVID Disaster Payments

The Federal Government has announced the COVID disaster payment, that provides support for workers unable to earn income due to a public health order, will be wound back as States and Territories achieve vaccination targets.

According to the agreed National Plan, once 70% of the eligible population (16 years and older) of a State or Territory is fully vaccinated, the automatic renewal of the disaster payment will cease. Individuals will need to reapply each week thereafter to confirm their eligibility.

Further, when a State or Territory reaches full vaccination of 80% of its eligible population, the temporary payment will step down over a two-week period, from \$450 per week to \$320 per week, before the payment ceases entirely.

Once the COVID disaster payment has ended, the social security system will support those workers who have not already returned to the workforce.

For further information regarding the pending changes to the disaster payment please refer to our website or contact our office.

Independent Review Service for Small Business made Permanent

Following a successful multi-year pilot, the ATO's small business independent review service will be offered permanently as a dispute resolution option for eligible small businesses.

ATO Deputy Commissioner Jeremy Geale said the service is all about ensuring small businesses are given the opportunity to achieve an independent, fast, free, and fair resolution when they disagree with the ATO's audit position:

"Independence is critical when handling a dispute, so we ensure each and every independent review is done by an officer from a different part of the ATO who was not involved in the original audit".

The ATO's small business independent review service is available to eligible small businesses with an annual turnover of less than \$10 million in relation to disputes about income tax, GST, excise, luxury car tax, wine equalisation tax, and fuel tax credits, and is in addition to other dispute options.

Disputes about employer obligations like superannuation and FBT are **not** eligible for the independent review service.

More information about the ATO's independent review service, including how to request a review and eligibility criteria, is available on the ATO's website.



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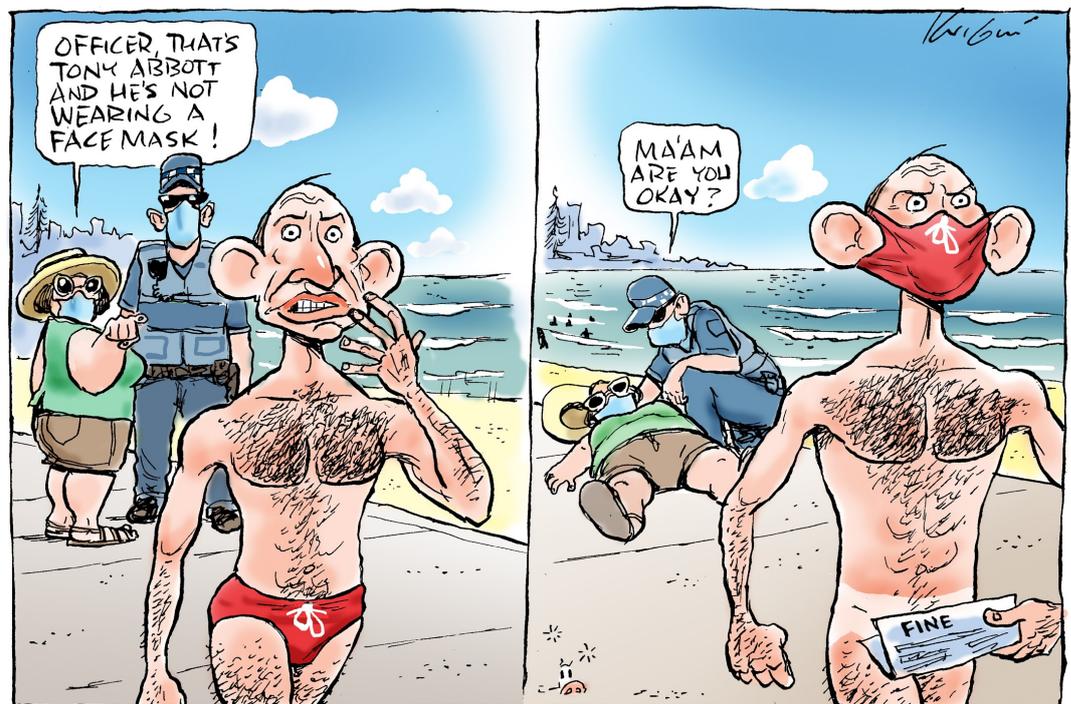
Government Proposal to Modernise Business Communication

The Government has committed to modernising certain laws so that they are 'technology neutral', to enable easier communication between businesses, individuals and regulators.

The first phase of legislative reform will focus on key areas raised by stakeholders which are implementation-ready (ideally by the end of 2021), including:

- expanding the range of documents that can be validly signed electronically;
- increasing the range of documents that can be sent electronically to shareholders and amending requirements to contact lost shareholders;
- improving flexibility for customers when changing address and consenting to electronic communication with credit providers;
- removing prescriptive requirements for notices to be published in newspapers, where suitable alternatives have been identified; and
- addressing provisions in Treasury legislation where only non-electronic payment options are in place.

Subsequent phases will consider reforms in additional areas that could benefit from greater technology neutrality, including communication with regulators, and product disclosure and recordkeeping requirements.



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Reminder of Casual Employment Changes in Australia

With changes to the Fair Work Act 2009 in March of this year in relation to casual staff, all employers are advised to consider the implications of the changes to new and existing casual employees. Employers are duly reminded of the need to provide all existing and new casual employees with a copy of the Casual Employment Information Statement.

Large business employers (those with 15 or more employees) are advised of the need to complete the process of offering casual conversion to long term casual employees and also maintain good employee records to ensure continued compliance with the casual conversion clauses.

For further information regarding these casual employment changes, please refer to the comprehensive overview included in the winter newsletter, or contact our office for more information.

Minimum Wages Increase by 2.5%

Following the Annual Wage Review 2021, the Fair Work Commission (FWC) announced a 2.5% increase to minimum wages. The wage adjustment applies to all awards and in most instances will apply from 1 July 2021. However, there is delayed application to some awards, due to the difficult trading conditions experienced in some industries.

Please note in relation to the Retail Award, that the wage adjustment applies from 1 September 2021. We also make you aware that there are a further 21 awards where the FWC deemed there were exceptional circumstances (hospitality and tourism, fitness, hair and beauty, sporting clubs, etc). The minimum wages of these awards will not increase until 1 November 2021.

If you have any concerns regarding the minimum wage increase or the application date please contact our office for assistance.

Super Guarantee Rate Rise from 1 July 2021

Businesses with employees are reminded to ensure they are using the most up-to-date version of their payroll and accounting packages to ensure compliance with the new super guarantee rate of 10% from 1 July 2021.

Employers should also note the increasing super guarantee rate has implications for employees remunerated through a superannuation inclusive package. In the absence of a remuneration review, an employee's take home payments will likely reduce from 1 July. Adjustments may be required to ensure the consistency of employee take-home payments.

For further information regarding these changes please contact our office at your earliest convenience.



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Reminder of Super Caps Indexation for 2022

From 1 July 2021, the superannuation contributions caps have been indexed for the 2022 income year.

The new **concessional contributions cap** for the 2022 financial year is now **\$27,500** (increased from \$25,000).

The new **non-concessional (i.e., non-deductible) contributions cap** for the 2022 financial year is now **\$110,000** or (where the 'bring forward' rules are applicable) **\$330,000** over three years (increased from \$100,000 or \$300,000 respectively).

The **CGT cap amount** for the 2022 financial year is now **\$1,615,000** (increased from \$1,565,000).

The increase in the concessional contributions cap in particular will require those salary sacrificing additional superannuation to consider if they wish to increase their packaging arrangements so as to maximise the \$2,500 increase in the cap.

Div 293 Concessional Assessments Issue

The ATO has recently issued approximately 30,000 Division 293 assessments for the 2018/19 and 2019/20 financial years.

Division 293 tax is an additional tax on super contributions, which reduces the tax concession for individuals whose combined income and contributions are greater than the Division 293 threshold (currently \$250,000).

Due to a system issue, concessional contributions reported for these financial years were not included in Division 293 assessments where that super account was also reported as closed during that financial year. This reporting issue was resolved in June 2021, and this has resulted in affected members receiving either an **initial** or **amended** Division 293 assessment.

Introducing SMSF Rollover Alerts

Since February 2020, the ATO has been issuing alerts via email and SMS when certain changes are made to a self-managed super fund ('SMSF').

With the inclusion of SMSF rollovers in SuperStream, the ATO will send the fund an email and/or text message alert when the fund uses the SMSF verification service ('SVS') to verify the SMSF's details before making a rollover.

Note that funds may use this service multiple times when actioning a single rollover request, which may result in receiving multiple alerts.

These alerts are being sent to help safeguard retirement savings and reduce the risk of fraud or misconduct.

If a fund receives an alert and is already aware of the rollover request, there is nothing more that needs to be done.

However, if a member didn't request a rollover to be made to an SMSF, or they want more information, they will need to contact their existing super fund(s) as a matter of priority, as rollovers through SuperStream may be processed in as little as 3 business days.

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New ATO Data Matching Programs

The ATO has advised that it will engage in two new data matching programs, as outlined below:

- the ATO will acquire **novated lease data** from McMillan Shakespeare Group, Smartgroup Corporation, SG Fleet Group, Eclix Group, LeasePlan, Toyota Fleet Management, LeasePLUS and Orix Australia for the 2018/19 through to 2022/23 financial years (relating to approximately 260,000 individuals each financial year); and
- the ATO will acquire account identification and transaction **data from cryptocurrency designated service providers** for the 2021 financial year through to the 2023 financial year inclusively (relating to approximately 400,000 to 600,000 individuals each financial year).

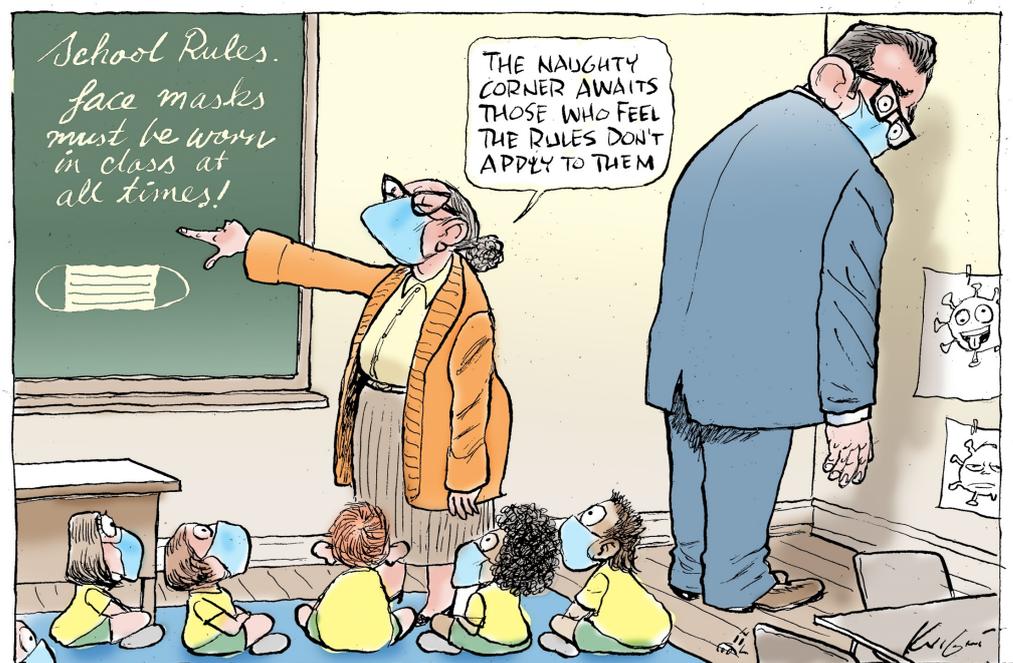
NewAccess Support Service for Small Business Owners

Beyond Blue has developed a free and confidential mental health support service for small business owners called NewAccess.

NewAccess recognises the unique nature of small business ownership which can involve stress and pressure from many different sources. Failure to address the demands of running a small business can sometimes place owners at risk of severe or longer-lasting mental health challenges.

As part of the NewAccess programs, consultations are provided by coaches with a small business background who will work with small business owners to create a plan to overcome difficult issues and develop some practical skills to manage life pressures and stress. For further information please refer to the following website:

<https://www.beyondblue.org.au/get-support/newaccess/newaccess-for-small-business-owners>



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Lodgement Obligations

Date	Description
21st each mth 2021/22	Monthly IAS lodgement due — All lodgements
28 October 2021	Superannuation guarantee contributions to be paid
28 October 2021	Quarterly IAS/BAS lodgement due — paper
25 November 2021	Quarterly IAS/BAS lodgement due — electronically
15 May 2022	Final lodgement date 2020/21 individual tax returns

Staff News

Welcome Jordan

We are pleased to welcome Jordan Johnstone-Krippel who joined us recently as a Trainee Accountant. Jordan is currently completing his Bachelor of Commerce at Deakin University and has qualifications from the Gordon TAFE. Prior to joining Kelly & Associates, Jordan was employed with the Commonwealth Bank. In his spare time, Jordan enjoys playing chess, reading and following the New York Knicks in the NBA. Welcome Jordan and we hope you enjoy your time with us.



Congratulations Clare and Adam

We are delighted to share news that Clare Bliss and her husband Adam are expecting their first child in late December. Clare joined Kelly & Associates as a Graduate and has been an outstanding accountant for many of our clients. Clare will be greatly missed and we wish her every joy with her impending motherhood.

Please note that Clare will begin maternity leave towards the end of November.

Congratulations to Clint Keble!

Our footy tipping competition winner for the 2021 football season is Clint Keble. Clint is very fortunate to not only win the tipping competition but to also live in Brisbane! Clint is a Cats football tragic and has been a client since the inception of Kelly & Associates. Congratulations Clint on your excellent tipping! We hope you enjoyed the first prize gourmet food and wine hamper!



Congratulations also to astute tipster Kaylie Hines-Cunliffe who won our staff tipping competition. Kaylie recently celebrated a very special birthday, unfortunately during lockdown! Happy birthday and tipping congratulations to you Kaylie!

We must also make special mention of David Linke, our keen Cats supporter who came runner up in both tipping competitions. Well done David, you will be the one to watch next season!

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Lachy's Lockdown Cookies

We have all done plenty of baking of late! Lachy enjoyed cooking these homemade Kingston cookies during the most recent lockdown, and the rest of the Kelly family loved eating them! They are easy to make and enjoyable to eat!

Ingredients

1 cup plain flour
¾ cup sugar
¼ tsp salt
1¼ cups of quick oats
60g of desiccated coconut
¼ cup golden syrup
115g unsalted butter
1 tsp bicarb soda
1½ tablespoons boiling water
200g chocolate (recipe says milk but we use dark)



Instructions

1. Preheat oven to 180c
2. In a large bowl, whisk together the flour, sugar, oats, coconut and salt until well combined.
3. Combine the golden syrup and butter in a small saucepan and melt together over low heat.
4. Mix the bicarb soda with the boiling water and add to the butter mixture. It should start to get frothy straight away.
5. Combine the wet and dry ingredients.
6. Place mixture of 1-2 teaspoons onto baking trays allowing for spread. We prefer smaller biscuits as they are very rich. Press down on top of each one to flatten it slightly.
7. Bake for 12-14 minutes.
8. Once cooled, melt the chocolate. We place the chocolate in a bowl and place over a saucepan containing a small amount of water. Bring the water to the boil. Alternatively melt the chocolate in 20 second bursts in the microwave, stirring well between each until just melted.
9. Allow the chocolate to cool to a consistency where it doesn't immediately flatten out when drizzled and then add 1 teaspoon to the underside of half the biscuits. We let them sit for a little to cool further and then sandwich the biscuit together with another. If the chocolate oozes out too much, then wait a bit longer before sandwiching them together.
10. Enjoy!

This publication provides a general overview on matters of interest only. The information contained within is not comprehensive and does not constitute advice. Please seek professional advice before acting on or relying on this publication.

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