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CLIENT INFORMATION BULLETIN

Welcome to this Autumn edition of our Kelly and Associates Newsletter. In this edition, we outline the changes to the 'Stage 3' tax cuts, the application of TPAR penalties and a class action for Victorian retail business owners during Covid. For your information, we have also included a short article on the increase in contribution caps for the 2023 income year.

In our client and staff news, we celebrate the opening of a much-loved local IGA Supermarket, congratulate our cricket stars, provide a footy tipping update and introduce a new staff member.

Lastly, we wish all our clients and families a safe and happy Easter!

✓ Stage 3 Tax Cuts

The Government recently passed changes to the Stage 3 tax cuts applying from 1 July 2024. These changes provide a tax break to low and middle-income earners by:

- reducing the 19% tax rate to 16%;
- reducing the 32.5% tax rate to 30% for incomes between \$45,000 and a new \$135,000 threshold;
- increasing the threshold at which the 37% tax rate applies from \$120,000 to \$135,000; and
- increasing the threshold at which the 45% tax rate applies from \$180,000 to \$190,000.

The Medicare levy low-income thresholds for the 2024 income year will also be increased.

✓ Penalties Soon To Apply for Overdue TPARs

Businesses that pay contractors to provide certain services may need to lodge a *Taxable Payments Annual Report* (TPAR) by **28 August** each year.

From 22 March, the ATO will apply penalties to businesses that:

- have not lodged their TPAR from 2023 or previous income years;
- have received three reminder letters about their overdue TPAR.

Taxpayers that do not need to lodge a TPAR and taxpayers that no longer pay contractors can submit a *'non-lodgment advice form'*. Please contact our office if you require further assistance with overdue TPARs.



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☑ Hotel Quarantine (Business Losses) Class Action

A class action on behalf of retail business owners impacted by the second-wave lockdowns has been filed with the Supreme Court of Victoria. Retail business owners can meet the criteria to join the action providing:

- As at 1 July 2020, they operated a business that supplied goods or services to the public from physical premises located in Victoria; and
- members of the public acquired those goods and services by attending the physical premises; and
- as a result of the restrictions between July and October 2020, the business was required to shut or operate at a reduced capacity and/or members of the public were in some way restricted or prohibited from visiting the retail premises which caused the business to suffer financial losses.

Eligible business owners can register as a member of the Business Losses Class Action by registering before July 8, 2024. Further information regarding eligibility and the registration process is available at: [Class Action](#).

If you believe that you may be eligible or have any questions about this action, please contact our office.

☑ New ATO guidance on 'who is an employee'

The ATO recently issued a ruling which explains when an individual is an 'employee' of an entity for pay as you go ('PAYG') withholding purposes.

A useful approach for establishing whether or not a worker is an employee of an engaging entity is to consider whether the worker is working in the business of the engaging entity, based on the construction of the terms of the relevant contract. Importantly, the fact that a worker may be conducting their own business, including having an ABN, is not determinative.

If you need help with this important issue please contact our office.

☑ Changes In Reporting Requirements for Sporting Clubs

Not-for-profits ('NFPs'), including sporting clubs, societies and associations with an active ABN, need to lodge an annual *NFP self-review return* to continue accessing their income tax exemption.

The main purpose of a **sporting organisation** must be the encouragement of a game, sport or animal racing. Any other purpose of the organisation must be incidental, ancillary or secondary.

The organisation's governing documents will help identify the purpose for which it was set up, and the organisation's activities in the year of income must then demonstrate that the main purpose is the encouragement of its game, sport or animal racing.

NFP organisations need to lodge their first *NFP self-review return* for the 2024 income year between 1 July and 31 October 2024. NFP organisations with their own ABN need to complete their own *NFP self-review return* even if they are affiliated with a broader sporting group.

If an NFP organisation does not lodge the return, they may become ineligible for an income tax exemption and penalties may apply.

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✔ Super Contributions Caps Rise

The big news story for those contributing to super is that the contribution caps are set to increase from the **2025** income year.

- The **concessional contribution cap** will increase from \$27,500 to **\$30,000**. This 'CC' cap is broadly applicable to employer super guarantee contributions, personal deductible contributions and salary sacrificed contributions.
- The **non-concessional contribution cap** will increase from \$110,000 to **\$120,000**. This 'NCC' cap is generally applicable to personal non-deductible contributions.

The increase in the NCC cap also means that the maximum available under the three-year bring forward provisions will increase from \$330,000 to **\$360,000**. This is provided that the 'bring forward' is triggered on or after 1 July 2024.

The 'total superannuation balance' threshold for being able to make non-concessional contributions (and the pension general transfer balance cap) will remain at **\$1.9 million**.

✔ Lodgement Obligations

Date	Description
21st each mth 2023/24	Monthly IAS lodgement due - All lodgements
28 April 2024	Superannuation guarantee contributions to be paid
28 April 2024	Quarterly IAS/BAS lodgement due - paper
26 May 2024	Quarterly IAS/BAS lodgement due - electronically
15 May 2024	Final lodgement date of 22/23 individual tax returns

✔ Footy Tipping Update

Good luck to our group of happy tippers for the 2024 Kelly and Associates footy tipping competition. We presently have a group of tippers on 17 correct tips, with Damian Martin in the lead, followed by Rosanna Romeo and Leanne Dean. Our best wishes for the season and remember it is not too late to join!



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✔ Client News

Vallis IGA

Congratulations to the Valenti family and staff on the recent opening of Vallis IGA Plus Liquor in Hamlyn Heights. After a devastating fire five years ago, the popular IGA in Hamlyn Heights has finally re-opened. The new store features an expansive deli, fresh bread, fruit and vegetables and a large kitchen area with ready-cooked meals available for purchase.

Congratulations to the Vallis IGA team on proudly serving the community for over 40 years and many more to come with this exciting new store!

Chris Davies—Professional EOS Implementer

Our client, Chris Davies is a professional Entrepreneurial Operating System Implementer in the Geelong and Melbourne regions. Chris works closely with businesses to assist in the alignment of different parts of the business to address common business frustrations associated with lack of control, people management, low profit and lower than expected growth.

For further information, please contact Chris on 0438 885 355.

✔ Staff News

Welcome to Celia Webb

We are delighted to announce the appointment of Celia Webb to our bookkeeping team. Celia has a wealth of experience in bookkeeping for small to medium businesses. Welcome Celia to our K&A team!



Staff Cricket Success

Congratulations to Sean O'Neill and David Linke on making the GCA1 first and second grade finals on the weekend. Congratulations to David Linke on captaining his side for a win in the GCA1 Second Grade Premiership.

Well done to Sean for his unbeaten 117 runs for East Belmont in a drawn game with North Geelong. North Geelong were awarded the Premiership due to a higher position on the ladder.

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



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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