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CLIENT INFORMATION BULLETIN

In this Winter Edition of the Kelly & Associates Newsletter, we begin by acknowledging our upcoming milestone of 25 years in business. Commencing on July 1, 1999, Kelly & Associates was Ambrose's venture into public practice supported by a small number of clients. At the time, we were worried about the Y2K bug and were soon to vote on becoming a Republic. Movies were on VHS and DVD, rented from a video shop and SeaChange entertained us on TV. Tony Lockett became the greatest goal scorer in AFL history and North Melbourne were AFL Premiers. It was a long time ago!

Achieving 25 years in business would not be possible without the tremendous support of our staff and clients. Thank you to all our staff and clients for your continued support of our business. We plan to celebrate this important milestone later in the year!

In this newsletter, we provide a brief overview of the recent Federal Budget, identifying some key measures for small businesses and individuals. We also bring to your attention the year end ATO reporting reminders for employers and support available for businesses experiencing difficulties.

With the new tax season now fast approaching, we outline our tax preparation procedures for individual clients. We have included some additional resources to assist our clients, specifically the Individual Client Tax Return Checklist, and an electronic Tax Data organiser. We recommend the Tax Data Organiser as a helpful tax time resource for all clients.

Our newsletter concludes with some payroll information, staff news and a footy tipping update. Thank you for taking the time to read our newsletter. Please contact our office if you have any questions or concerns. Happy End of Financial Year!

✓ The 2024/25 Budget Update

For Businesses

Temporary Increase to the Instant Asset Write-Off

Under current law, the small business instant asset write-off threshold is (less than) \$1,000 for the 2025 income year.

However, the Government has announced that it will temporarily set the instant asset write-off threshold for small business entities at (less than) \$20,000 for the 2025 income year.

Small businesses with an aggregated annual turnover of less than \$10 million will generally be able to immediately deduct the full cost of eligible assets costing less than \$20,000 that are first used or installed ready for use by 30 June 2025. The asset threshold applies on a 'per asset' basis, so small businesses can instantly write off multiple assets.

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☑ 2024/25 Budget Update (cont'd)

Assets valued at \$20,000 or more (i.e., which cannot be immediately deducted) can continue to be placed into the small business simplified depreciation pool and depreciated at 15% in the first income year and 30% each income year thereafter.

The provisions that prevent small businesses from re-entering the simplified depreciation regime for five years if they opt-out will continue to be suspended until 30 June 2025. From 1 July 2025, the instant asset write-off threshold will revert back to (less than) \$1,000.

Relieving Energy Bill Pressures

The Government is providing direct energy bill relief for small businesses. The Budget provides additional energy bill relief of \$325 to eligible small businesses, to be paid in installments throughout 2024-25.

Building Cyber Resilience for Small Businesses

The Government is supporting small businesses to be secure online while they utilise digital opportunities, by funding the following:

- Cyber Wardens program to provide free, online training for small business owners and their staff to help drive cultural change and a cyber safe mindset in Australian small businesses.
- Small Business Cyber Resilience Service to help small businesses build their cyber resilience and provide support when affected by a cyber incident.
- Cyber Health Check online interactive tool to enable small and medium businesses to self-assess their cyber security maturity.

The Government is also developing a ransomware playbook to provide guidance on how to prepare for, respond to and recover from, a ransomware or cyber extortion incident.

For Individuals

Personal Income Tax Measures

From 1 July 2024, the revised stage three personal tax cuts effected by the Government will provide some tax relief to income earners for the 2024/25 financial year. The following table outlines the marginal income tax rates and thresholds that apply for resident individuals from 1 July 2024, plus for comparative purposes the rates and thresholds for the 2023/24 financial year.

Australian Resident Individual Income Tax Rates

2024 Income Year		From the 2025 Income Year	
Tax Rate	Thresholds	Tax Rate	Thresholds
0%	\$0 - \$18,200	0%	\$0 - \$18,200
19%	\$18,201 - \$45,000	16%	\$18,201 - \$45,000
32.5%	\$45,001 - \$120,000	30%	\$45,001 - \$135,000
37%	\$120,001 - \$180,000	37%	\$135,001 - \$190,000
45%	\$180,001 +	45%	\$190,001 +

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☑ 2024/25 Budget Update (cont'd)

Superannuation on Paid Parental Leave

The Government has announced that it will pay superannuation on Commonwealth government-funded Paid Parental Leave for births and adoptions on or after 1 July 2025.

Eligible parents will receive an additional payment based on the Superannuation Guarantee (12% of their Paid Parental Leave payments), as a contribution to their superannuation fund.

Freezing Social Security Deeming Rates

The Government will freeze social security deeming rates at their current levels for a further 12 months until 30 June 2025 to support age pensioners and other income support recipients who rely on income from deemed financial investments, as well as their payment, to manage cost of living pressures.

Tertiary Education System Reforms

The Government will provide funding to implement the first stage of reforms to Australia's tertiary education system. Of note, this includes funding:

- to limit the indexation of the Higher Education Loan Program (and other student loans) debt to the lower of either the Consumer Price Index or the Wage Price Index, effective from 1 June 2023, subject to the passage of legislation; and
- to establish a new 'Commonwealth Prac Payment' of \$319.50 per week (benchmarked to the single Austudy rate) from 1 July 2025 for tertiary students undertaking supervised mandatory placements as part of their nursing (including midwifery), teaching or social work studies.

Energy Bill Relief for Households

The Government is providing direct energy bill relief for every Australian household. From 1 July 2024, all households will receive a \$300 rebate, which will be automatically applied to their electricity bills in quarterly instalments.

☑ Support Available for Businesses Experiencing Difficulties

By paying their tax bill in full and on time, taxpayers can avoid paying the general interest charge ('GIC'), which is currently 11.34%, and which accrues daily for any overdue debts.

The ATO advises taxpayers that, if their business is dealing with financial difficulties, there are some options to help make their tax bill "less taxing".

Taxpayers who are struggling to pay in full or on time may be eligible to set up a payment plan. If they owe \$200,000 or less, they may be able to do this themselves using *online services*. If they cannot do so, or they owe more than \$200,000, they can contact the ATO to discuss their options.

Taxpayers can ask the ATO to remit their GIC. The ATO will then consider whether the tax bill was paid late because of circumstances that were:

- beyond the taxpayer's control, and what steps the taxpayer took to relieve the effects of those circumstances; or
- within the taxpayer's control, but led to results that the taxpayer could not foresee.

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☑ End of Financial Year Obligations for Employers

The ATO reminds employers they need to keep on top of their payroll governance. This includes:

- using their tax and super software to record the amounts they pay;
- withholding the right amount of tax; and
- calculating superannuation guarantee ('SG') correctly.

As 30 June gets closer, employers should check their reporting obligations, along with any upcoming key dates, including for:

- PAYG withholding — From 1 July, the individual income tax rate thresholds and tax tables will change, which will impact their PAYG withholding for the 2025 tax year;
- SG rate change — From 1 July, the SG rate will increase to 11.5%. Employers must pay their SG contributions by 28 July in full, on time and to the right fund; and
- Single touch payroll ('STP') reporting — Employers should remember to make STP finalisation declarations by 14 July for all employees the employer has paid during the financial year, and also check their employees' year-to-date amounts are correct.

☑ Energy Incentive for Small Business

A reminder for our business clients that the Small Business Energy Incentive (Boost) finishes on 30 June 2024. This boost is designed to support small business electrification and more efficient energy use, and will apply to eligible expenditure incurred between 1 July 2023 and 30 June 2024. Total expenditure of up to \$100,000 will be eligible under the incentive with a maximum bonus deducting of \$20,000. Please refer to the following link for more detailed information [Small Business Energy Incentive](#)

☑ ATO's Three Focus Areas This Tax Time

The ATO will be taking a close look this 'tax time' at the following common errors made by taxpayers:

Work related expenses: Taxpayers using the 'revised fixed rate method' of calculating a working from home deduction must have comprehensive records to substantiate their claims, including records that show the actual number of hours they worked from home, and the additional running costs they incurred to claim a deduction.

Rental properties: Performing general repairs and maintenance on a rental property can be claimed as an immediate deduction. However, expenses which are capital in nature (such as initial repairs on a newly purchased property) are not deductible as repairs or maintenance.

Failing to include all income in tax return: The ATO warns taxpayers against rushing to lodge their tax return on 1 July. If they have received income from multiple sources, they need to wait until this is pre-filled in their tax return before lodging.

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✔ How To Claim Working From Home Expenses

Clients who have been working from home this financial year, and who consequently incurred work-related expenses, have two ways to calculate their work from home deduction:

- the actual cost method; or
- the fixed rate method.

Using the fixed rate method, taxpayers can claim a rate of **67 cents** per hour worked at home.

This amount covers additional running expenses, including electricity and gas, phone and internet usage, stationery, and computer consumables. A deduction for these costs cannot be claimed elsewhere in their tax return, although taxpayers can separately claim any depreciating assets, such as office furniture or technology.

Clients will need to have the right records, and the record-keeping requirements differ for the fixed rate method and the actual cost method.

✔ Government Warns of 'Malicious' MyGov Scammers

The Government has urged Australians to be vigilant regarding scammers who target ATO log-in details to commit tax fraud.

The ATO has received a large number of reports of scammers using fake myGov sites to steal myGov sign-in details, which can be used to commit tax and refund fraud in other people's names.

These criminals may use text message or email to lure people into clicking a link using phrases such as 'You are due to receive an ATO Direct refund' or 'You have a new message in your myGov inbox - click here to view'.

The Government says the ATO or myGov will never send an email or text message with a link to sign in to myGov.

Last year, the ATO introduced new fraud controls to help protect Australians from online identity theft, including using myGovID to strengthen security during the sign-in processes on myGov accounts.

✔ ATO Issues Notice of Crypto Assets Data-Matching Program

The ATO has advised that it will acquire account identification and transaction data from crypto designated service providers for the **2024 to 2026 income years**.

This data will include the following:

- client identification details (names, addresses, dates of birth, phone numbers, social media accounts and email addresses); and
- transaction details (bank account details, wallet addresses, transaction dates, transaction times, transaction types, deposits, withdrawals, transaction quantities and coin types).

The ATO estimates that records relating to approximately **700,000 to 1,200,000 individuals and entities** will be obtained each financial year.

The data will be acquired and matched to ATO systems to identify and treat clients who failed to report a disposal of crypto assets in their income tax return.

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☑ 2023/2024 Individual Tax Return Preparation

We are pleased to introduce our team of accountants who will be completing the bulk of our individual tax returns this year. Kaylie and David will be overseeing the process with Ashleigh, Kathryn, Jordan and Matt actively involved in conducting interviews, collating data and processing the returns.

We are flexible in our approach to servicing your individual tax needs and will be available for face-to-face consultations as well as offering a remote service. Our remote service has continued to be popular with clients and includes phone appointments and zoom meetings. Please contact reception to book your face-to-face or remote service appointment on (03) 5224 1022.

Information for your 2023/24 tax return can be emailed direct to your accountant or to reception@kellyassoc.com.au. Alternatively, we can provide a secure link upon your request, allowing you to safely deliver sensitive taxation information to us electronically. Please note that payment summaries no longer need to be provided as we can access them from the ATO portal.

To further assist with the electronic approach to tax preparation this year, we have provided an Individual Tax Return Checklist and a complementary Tax Data Organiser to help gather and compile your tax information. The ATO website also provides some helpful deduction guides that are specific to particular occupations and industries: [Occupation & Industry Specific Guide](#)

Where appropriate, we are using DocuSign for signing and returning documents. Please keep an eye out for documents sent to you via DocuSign and contact our office if you require any assistance with the signing program.

We look forward to assisting with all your taxation needs for the 2023/24 tax year!

☑ Annual Wage Review 2024 & Closing the Loophole Changes

The National Minimum Wage and all minimum award wages will increase from the first full pay period starting on or after 1 July 2024. The Fair Work Commission determined that the National Minimum Wage will increase by 3.75% to \$915.90 per week or \$24.10 per hour, with the minimum award wages also increasing by 3.75%.

Additional workplace laws as part of the Closing Loopholes changes come into effect on 1 July and 26 August 2024. Employers can find a summary of the changes at [Agreements and bargaining - Fair Work Ombudsman](#)



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☑ Payroll News

We advise clients using QBO for their record-keeping requirements, that the program will soon support direct bank feeds for every financial institution. Direct bank feeds provide a secure and reliable connection between your bank account and the QBO program and assist with the reconciliation process. We recommend the use of direct bank feeds and setting up the direct connection for each of your bank accounts. If you are a user of the QBO program please contact our office if you would like further assistance.

In other payroll related news, we remind employers using QBO for payroll that the WorkZone self-service app available to employees has been decommissioned and replaced with Swag. Please ensure that all employees have installed and are now using the Swag app.

☑ Footy Tipping Update

In a very close competition this year, Stephen Dahlhaus is currently leading the K&A footy tipping competition with 83 correct tips. In joint second place, and only one tip behind, we have Big Mamma and Derek Morrow, followed by Deb Rodgers and the well-named Eye Roller.

In our staff competition, our leader is the very hopeful 'Hawks will win' with Jordan following close behind. A further shout out to our suboptimal performers this year; c'mon David Linke, Melissa (I've been busy with my wedding preps) Tyrrell and Ambrose Kelly!

☑ Lodgement Obligations

Date	Description
14 July 2024	PAYG payment summaries distributed to employees (Not required by employers who have reported all payments via STP throughout 2023/24)
14 July 2024 *	STP finalisation declaration (*The finalisation date for closely held payees is 30 September 2024)
21st each mth 2023/24	Monthly IAS lodgement due — all lodgements
28 July 2024	Super guarantee contributions
28 July 2024	Quarterly IAS/BAS lodgement due — paper
14 August 2024	PAYG summaries to be lodged with ATO (Not required by employers who have reported all payments via STP throughout 2023/24)
25 August 2024	Quarterly IAS/BAS lodgement due — electronic
28 August 2024	Taxable payments annual report (Building & Construction, Cleaning, Courier, Road Freight, Information Technology, Security/Surveillance)
15 May 2025	Final lodgement date of 2023/24 individual tax returns

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✔ Staff News

Exciting changes for Sean

Sean O'Neill will be leaving Kelly & Associates to begin his own accounting firm at the end of July. Sean has worked for Kelly & Associates for over 12 years and has been outstanding in supporting our firm and providing excellent services to our clients.

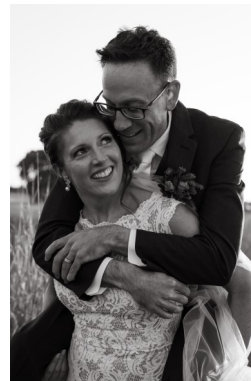
We wish to extend our appreciation to Sean for his service to our firm, his friendship and fun personality in the office. We will miss Sean and wish him all the best with his new venture.

Maternity leave for Clare

We are delighted to announce that Clare and Adam Bliss are expecting baby number 2 later in the year. We are excited about the prospect of another baby at our functions and look forward to some lovely cuddles. Clare is expected to finish work in August.

Melissa & Alan Wedding Congratulations

Congratulations to Melissa and Alan on their recent wedding in Stonehaven. On a special day in May, in the dappled sunlight under a 600 year old gum tree, Melissa and Alan shared their love and vows with friends and family. We are delighted for them both and enjoyed sharing in their celebrations.



Ella Traineeship Completed

Congratulations to Ella for completing her Certificate III in Business and her traineeship at Kelly & Associates in record time. Well done Ella and our best wishes with your future endeavours.

Slow Cook Sisters

Sally Thornton is a passionate cook who enjoys preparing slow cooked, authentic food from around the world. Check out her website at <https://slowcooksisters.com.au> and consider supporting Sally and her delicious food. The meals are fabulous!



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