



# NEWSLETTER – JUNE 2021



## IMPORTANT UPCOMING DATES

June 2021	GRANT OPPORTUNITIES
30th June—End of financial year	<p>There are some opportunities for funding currently available. Please note the application closing date for each type of grant.</p> <p><b>Business Costs Assistance Program</b>—This is a State Government initiative for businesses in certain industries affected by the most recent lockdown. Applications close—24th June 2021</p> <p><b>Licensed Hospitality Venue Fund 2021</b>— Grants of up to \$3,500 in regional Victoria and \$7,000 in Metro Melbourne for eligible liquor licencees operating a restaurant, hotel, café, pub, bar, club or reception centre Applications close—24th June 2021</p> <p><b>Business Competitiveness Program</b>—Grants of up to 33% of eligible projects for manufacturing businesses to expand their operations or improve their competitiveness. Must employ at least 20 people or have turnover of \$1.5m Closing Date— 4th July 2021</p> <p><b>On-Farm Energy Grants</b>— there are grants available with regard to On-Farm Energy savings Closing Date—15th December 2021</p> <p><b>On-Farm Energy Assessment</b>— Independent expert advice on how to reduce energy use, improved energy and manage energy costs Closing Date— 15th July 2021</p> <p><b>Small Business Digital Adaptation Program</b>—A rebate of \$1,200 to access digital business management tools for 12 months Applications close on 30th June 2021.</p>
July 2021	
1st July - New Financial Year	
<b>1st July—Superannuation Guarantee Amount increases to 10%</b>	
1st July—Corporate Tax Rate reduces to 25%	
1st July— Single Touch Payroll system expanded to include closely held payees	
14th July— Annual Payroll to be finalised via Single Touch Payroll	
21st July—Annual Payroll Tax Reconciliation Due	
21st July— Monthly BAS & IAS Due for June	
28th July— Quarterly Superannuation Guarantee due for Apr—June	
28th July— Quarterly PAYG Instalments Due	
August 2021	
21st August— Monthly BAS & IAS Due (July)	
25th August— Quarterly BAS due (where lodged electronically)	
28th August— Taxable Payments Annual Report (contractors)	

## INCOME TAX RATE CHANGES

To stimulate the Australian economy, the Federal Government has brought forward Stage 2 of their planned tax cuts. These have been back dated to 1st July 2020.

The cuts were originally scheduled to come into effect in July 2022 but will now apply in the current financial year, providing tax cuts for millions of Australian taxpayers

The 2020/2021 tax rates for residents (plus Medicare Levy):

Taxable Income	Tax on this income
0—\$18,200	Nil
\$18,201—\$45,000	19 cents for each \$1 over \$18,200
\$45,001—\$120,000	\$5,092 plus 32.5 cents for each \$1 over \$45,000
\$120,001—\$180,000	\$29,467 plus 37 cents for each \$1 over \$120,000
\$180,001 and over	\$51,667 plus 45 cents for each \$1

## FEDERAL BUDGET UPDATE

- The Low and Middle Income tax offset has been extended to June 2022. This is applied against your tax payable providing a tax offset up to \$1,080 depending on your income.
- Full expensing of assets allowing a full deduction at time of purchase and Company loss carry back rules extended to 30th June 2023.
- \$1.9 billion invested in the vaccination program
- \$17.7 billion to improve aged care
- New test for individual residency—The government will replace the individual tax residency rules with a new, easier to understand framework that provides certainty and reduces compliance costs for globally mobile individuals and their employers
- Removal of the \$450 per month minimum for superannuation guarantee payments meaning many part time and casual employees will be entitled to 10% superannuation from their employer.



## TEAM MEMBER PROFILE— SAM

Sam has been with M & B Accountants for the last 3 years.

Sam is your first point of contact at M & B Accountants. She assists with the preparation of documents and interview packs, collating income tax returns for presentation to clients in hard copy and electronic format and assisting the Directors and accounting team with accounting tasks, such as invoicing and general bookkeeping.

Outside of work Sam also teaches group fitness classes. She completed her certificate 3 & 4 in fitness in 2014 and then went on to qualify in Les Mills Bodypump and Les Mills Core.

In her free time she enjoys spending time with her friends and family, travelling to Melbourne to cheer on the Sydney Swans and training to keep in great health, both physically and mentally.

## NEW DIRECTOR IDENTIFICATION RULES

The new law will require each person who consents to being a director to confirm their identity and obtain a unique Director Identification Number.

Persons appointed as directors within 12 months of the new regime's commencement will have 28 days to apply for a Director Identification Number.

Those persons that are currently directors will also be required to apply for a Director Identification Number.

Each director will be required to apply for a Director Identification Number themselves showing a number of personal identification documents. We will provide more details on the process as the new laws come into effect.



## IMPORTANCE OF PREPARING BUDGETS

While many business owners may find themselves caught up in the day to day of their business operations and put little thought to forward thinking, a budget can be one of the most important tools in business.

Budgets identify current available capital, and provide an estimate of expenses and revenue. This provides a basis to measure performance which in turn helps with business development and growth.

There are a number of benefits of budgeting:

- A budget allows the business owner to anticipate peaks and troughs in the business. Suitable strategies can then be developed and implemented to improve the financial performance of the business.
- Continually be able to track the financial performance of the business against projected benchmarks.
- A thorough budget allows the business owner to make informed short term business decisions
- A thorough budget allows the business owner to make informed long term business decisions about the strategic direction of the business.

## SUPER GUARANTEE RATE CHANGE

Super guarantee (SG) is the minimum amount you must pay on eligible employees ordinary times earnings (wages). The current rate is 9.5% and is set to increase from 1 July 2021. See the table below of rates:

1 July 2021—30 June 2022	10.00%
1 July 2022—30 June 2023	10.50%
1 July 2023—30 June 2024	11.00%

See below the due date for SG payments. It is really important payments are made by these dates to avoid any non tax deductible SG charge

July—September	28 October
October—December	28 January
January—March	28 April
April—June	28 July

## KEEPING WORK RELATED EXPENSE RECORDS CRITICAL

The ATO has advised that a current audit hotspot is work related expenses. It is very important to ensure relevant expense records are kept in order to claim a deduction.

Some examples include:

- **Laundry and clothing expense claims**—Receipts must be kept for the purchase of work clothing and records are required to be kept for laundry claims (by way of diary record) showing the number of washes done during the year; and the type of clothes included in each wash
- **Car expense claims**— If using the logbook method you must prepare (or keep) a new valid log book every five income years for at least a 12- week continuous period; and to record certain specific information in the log book, such as certain information about each business journey or trip (not just the description 'business')
- if using cents per km method you must be able to demonstrate how you calculated the total kilometres
- **Other work related expenses**— Documentation must be provided to substantiate your claim (this is usually in the form of a receipt).

## CENTS PER KM RATE CHANGE

When claiming car expenses on your tax return there are two methods,

1. Log Book Method; and
2. Set Rate per Kilometre

The current rate is 72 cents per km for the 2020–21 financial year.

The maximum claim under this method is 5000kms or \$3,600

## MARKETING IDEAS TO BOOST CLIENTS BUSINESS

Marketing can be critical to the growth of your business. While many small businesses may not have a large budget to work with, there are plenty of ways to market yourself to customers without breaking the bank.

Some free and fast marketing strategies can include:

- Creating a google My Business account
- Post on social media and engage with customers
- Use hashtags
- Utilise Linked In and keep your profile up to date

Marketing ideas that take a little more time and effort

- SEO—add keywords to get your website viewed
- Email marketing campaigns
- Apply for business awards
- Publish great content
- Start a blog
- Attending networking events that relate to your particular industry.
- Turn employees into brand ambassadors (word of mouth is a huge marketing strategy)
- Run webinars/make videos
- Host a social media contest/giveaway
- Set up a customer referral program or loyalty rewards
- Join in on local business events

## CHANGES TO STP

### JULY DEADLINE: SINGLE TOUCH PAYROLL



There are Single Touch Payroll (STP) changes coming into place for small employers with closely held payees and quarterly reporting for micro employers that may affect the way you report to the ATO.

From 1 July 2021—employers must report any closely held payees (related parties) through STP. You can choose to report these each pay day, month or quarterly. A closely held payee is an individual directly related to the entity from which they receive payments

From 1 July 2021—STP quarterly reporting concessions for micro employers will only be available to micro employers who meet certain eligibility requirements. A micro employer (an employer with four or fewer employees) is currently entitled to report through their registered tax agent on a quarterly basis, however this will now only be eligible for employers experiencing exception circumstances.

If you have any questions or concerns or are not sure how this relates to you, please contact us and we can assist.



## ACCOUNTANTS

### Contact Details:

M & B Accountants  
ABN: 11 138 013 279  
630 Sturt Street  
BALLARAT VIC 3350  
Postal: PO Box 415W  
BALLARAT WEST VIC 3350

Call : 03 5331 2322

Email [info@mbaccountants.com.au](mailto:info@mbaccountants.com.au)

Web [www.mbaccountants.com.au](http://www.mbaccountants.com.au)