

## Client Update December 2021

The AFS team wish you a happy, healthy and safe Christmas and New Year.

Our office will be closed from midday Wednesday 22 December and reopening Monday 10 January 2022.



**Kate Mannix**

CEO AFS & Associates

### 2021 in review **A word from the CEO**

Upon reflecting on 2021, my mind turns to the way business owners and individuals continued to apply grace, grit and growth to how they do business and life. The increased cognitive load of decisions, changes and restrictions at times was a burden but the increased resilience and will to move forward won out above all.

Many business owners and managers tuned into their client, customer and patron's needs to be clear in their purpose and live it out, delivering this at times, in new and innovative ways. This has built loyalty from customers and team members who

might watch from a distance but want to support you in every way possible.

Our team again kept focus on our purpose, which is to be your partner in success and provide peace of mind. We wanted to be available, responsive, provide an answer and be timely in our communications to you for business updates, grants, funding and restriction changes. I trust this has been your experience of AFS.

To the AFS team, I thank each one of them for keeping our client first focus strong while delivering quality client outcomes, keeping team relationships and bonds strong while working remotely and for engaging in the growth and evolution of themselves as individuals and more broadly our firm.

To you our friends and clients of AFS, thank you for trusting in our relationship, being loyal to us, providing feedback, growing with us and we cannot wait for 2022 to again shine a light on the strength and braveness of business. We are in awe of your continued resilience and power of positivity in uncertain times.

It is brilliant how the past two years have shone a light on regional Victoria as a destination for living, travel and business, which will continue to assist our economic recovery and attraction of skills and labour.

Our wonderful communities and businesses are back and ready to shine. Let's bring on a successful summer and 2022.

## State and territory COVID-19 support

There is still a range of government funding and grants available to businesses across Australia.

Below is a list of all the financial assistance currently available in each state and territory. If you would like more information on any of the support, click [here](#) to visit our blog.

If you have any questions regarding any of the support, including determining your eligibility or how to apply, please call us on 03 5443 0344 or email [afs@afsbendigo.com.au](mailto:afs@afsbendigo.com.au)

### All states and territories

- > JobMaker Hiring Credit Scheme
- > Boosting Apprenticeship Commencements

### Australian Capital Territory

- > COVID-19 Disaster Payment
- > COVID-19 Small Business Hardship Scheme Act
- > Payroll tax exemption

### New South Wales

- > COVID-19 Disaster Payment
- > Small Business Fees and Charges Rebate
- > NSW Performing Arts COVID Support Package
- > COVID-19 Tax Relief Measures

### Northern Territory

- > COVID-19 Disaster Payment
- > Trade Support Scheme
- > Visitation Reliant Small Business Support Program

### Queensland

- > Major Tourism Experience Hardship Grant
- > Queensland COVID-19 cleaning rebate
- > Queensland Tourism Business Financial Counselling Services

- > Support for tourism operators and hospitality providers
- > COVID-19 Disaster Payment

### South Australia

- > COVID-19 Business Hardship Grant SA
- > COVID Clean Infection Control Training

### Tasmania

- > COVID-19 Micro and Small Business Border Closure Critical Support Grant Round 2
- > Business Growth Loan Scheme
- > Rapid Response Skills Initiative

### Victoria

- > COVIDSafe Outdoor Activation Voucher Program VIC
- > COVID-19 Disaster Payment
- > Coronavirus Payroll Tax Relief
- > COVIDSafe Deep Cleaning Rebate
- > Jobs Victoria Fund
- > Seasonal Worker Program and Pacific Labour Scheme

### Western Australia

- > Apprenticeship and Traineeship Re-engagement Incentive

## Minimising your FBT liability this festive season

With the Christmas season approaching, many employers will be on the lookout for gifts or events to reward their employees for their work over the past 12 months.

When doing this you should consider the Fringe Benefits Tax (FBT) implications. FBT is separate to income tax and is calculated on the taxable value of the fringe benefit.

Below are some strategies you can use to minimise the tax payable on benefits provided to employees this holiday season.

### Christmas parties

While there is no specific 'entertainment fringe benefit' category, a fringe benefit may arise from providing employees or their associates with benefits such as:

- > food and drinks
- > entertainment
- > hire of venues.

#### Minimising FBT:

You should keep a record of the number of employees or their associates receiving each kind of benefit you are providing to ensure you have an accurate cost value of the benefits and will not be paying unnecessary FBT.

If the benefit or event is infrequent and costs below \$300 per person, the benefit may be eligible for an FBT exemption.

### Christmas gifts

Any gifts provided by an employer to an employee or their associate is considered a fringe benefit. This includes gifts such as:

- > gift cards
- > flowers
- > paying for something on their behalf to a third party (e.g. paying for a massage).

#### Minimising FBT:

You may be able to minimise the FBT payable on these type of gifts by ensuring it is not a reoccurring or frequent event.

If the costs for each gift are below \$300 they may be exempt from FBT.

### Travel

A Christmas party is considered a private event, meaning any travel in a company vehicle to a Christmas party will create an FBT liability.

#### Minimising FBT:

You may be able to minimise your FBT liability by limiting the use of company vehicles over the Christmas break by keeping them on site and ensuring employees do not have access to them during this time.

If you have any questions regarding FBT, or wondering if your business activities this Christmas season will be subject to FBT, please contact us.



## Virtual AGMs and electronic communication measures to be made permanent

A new government Bill will soon allow companies and registered schemes to hold hybrid meetings and use technology to execute company documents, sign meeting-related documents and provide those documents to their members. Shareholders will also permanently be provided the option of attending meetings either in person or remotely.

The changes for meetings of members or directors apply to those which are held and documents sent on or after 1 April 2022.

### Measures in the Bill

The Bill allows certain documents to be signed in 'flexible and technology neutral manners'. This change applies to:

- > the signing of certain documents (including deeds) by or on behalf of a company
- > the signing of documents which relate to certain meetings or resolutions.

Documents relating to meetings may be signed and given using electronic means, regardless of whether the meeting is a virtual, physical or hybrid meeting.

All meetings, regardless of how they are held, must give the members as a whole a reasonable opportunity to participate. This includes holding the meeting at a reasonable time and place and using reasonable technology to conduct a virtual meeting and connect different physical locations together.

Please contact us if you have any questions regarding virtual meetings or how you can use them to benefit your business.



## Stapled superannuation fund changes are here

Since 1 November 2021, employers are now required to determine if a new employee has a 'stapled' superannuation fund and request the details from the Australian Taxation Office (ATO) where a new employee has not nominated a superannuation fund.

A stapled superannuation fund is essentially an existing superannuation account that is linked, or 'stapled', to an individual and follows them throughout their job changes.

To ensure you comply with the change, you should check ATO online services to confirm that your business has the required access levels. You'll need to have the "Employee Commencement Form" permission in order to request a stapled fund.

You still need to offer your eligible employees a choice of superannuation fund and pay their superannuation into the account they nominate. However, if your employee doesn't choose a fund, you'll need to request the stapled fund details from the ATO. In most cases, a request can be made after you've submitted a TFN declaration or a Single Touch Payroll (STP) pay event linking the new employee to your business.

The ATO will notify the associated employee of the stapled fund request and the fund details provided.

Remember, an employer cannot provide recommendations or advice about superannuation to its employees, unless the business is licensed to provide financial advice. Penalties may apply if your business fails to meet the "choice of superannuation fund" obligations.

Click [here](#) for full details on the stapled superannuation fund changes.



## Closing a business?

### Don't forget the GST registration



If the prolonged lockdowns or economic conditions have prompted you to sell or close your business, it's important to be aware of the need to cancel the related Goods and Services Tax (GST) registration within a certain period, unless your business is in a specific industry or performs a specific role.

Generally, you must cancel your GST registration within 21 days if you sell or close your business. If you change your business structure you must still cancel your GST registration within 21 days, unless the old entity carries on another business.

Cancelling a GST registration will also cancel other registrations such as fuel tax credits, luxury car tax and wine equalisation tax, even if the ABN is not cancelled. If you're registered for Pay As You Go (PAYG), PAYG instalments or have FBT obligations, you will need to keep lodging Business Activity Statements (BAS) even if you cancel your GST registration.

While you can usually cancel your GST registration from a date you choose (which should be the last day you want your previous business to be registered), you cannot cancel the registration retrospectively if you were still operating on a GST-registered basis after that date. Similarly, if you choose a cancellation date and then continue to operate on a GST-registered basis, you will not be able to cancel the registration.

When you cancel your business' GST registration, you'll need to lodge any outstanding BAS and complete a final GST activity statement. This should include the sale of the business, sale of any business assets, adjustments for any assets held after cancellation, and/or any other adjustments. If you operate on a cash basis, all the sales and purchases that still need to be attributed from a previous tax period must be recorded.

If you're cancelling a GST registration because the business has been restructured, sold or closed, the associated ABN must also be cancelled. If a company was not restructured, sold or closed, but simply no longer carries on a business, the GST registration must still be cancelled but there's a choice to keep the ABN registration may remain active.

Please contact us if you have any questions about cancelling your GST registration.



## Director Identification Numbers are here

All directors (including alternate directors) are required to apply for a Director Identification Number (DIN). A DIN is a unique 15 digit identifier that will stay with directors forever.

The DIN regime was introduced to prevent the use of false director identities and phoenix activity. Any conduct that undermines the DIN requirement will be subject to civil and criminal penalties. This includes deliberately providing false identity information, intentionally providing a false DIN or intentionally applying for multiple DINs.

Directors must apply by:

Act	Appointment date	Date you must apply
<b>Corporations Act 2001</b>	Before 1 November 2021	By 30 November 2022
	Between 1 November 2021 and 4 April 2022	Within 28 days of appointment
	From 5 April 2022	Before appointment
<b>Corporations (Aboriginal and Torres Strait Islander) Act 2006</b>	Before 1 November 2022	By 30 November 2023
	From 1 November 2022	Before appointment

Applying for a DIN is a two step process:

1. Set up a myGovID via the app
2. Apply for the DIN via the Australian Business Registry Services (ABRS) website.

Click [here](#) for more information on the DIN regime. Please contact us if you have any questions regarding the DINs or would like assistance applying.



## Top five scams exposed for Scams Awareness Week

Requests for money transfers, phishing and fake missed call or text messages are among the top five scams targeting Victorians, according to data revealed by Consumer Affairs Victoria.

In Victoria alone, Consumer Affairs received more than 2,000 reports of scams during 2020-21, with the top five being:

- 1** money transfer scams (the promise of a cash refund for a fee) – 660 reports (compared to 330 last financial year)
- 2** phishing (stealing personal details via email, text, or voicemail) – 567 reports
- 3** reports missed call and text message scams – 315 reports
- 4** investment and financial scams – 182 reports
- 5** trade persons – 105 reports.

Many people who experience a scam never report it to anyone due to feelings of shame, but it's important to keep talking to reduce stigma and prevent scams from happening in the first place.

Keep the conversation going by reminding your colleagues, family and friends to do their research before sending any payment to online sellers and to never give money or bank details to claim a prize.

Click [here](#) for further information about how to protect yourself and your business from scams.



## Factsheet released for windfall gains tax changes

The Victorian Government has created a new Act known as the *Windfall Gains Tax Act 2021* to establish the windfall gains tax. The Act, which was passed on 30 November 2021, will see landowners pay tax on windfall gains accrued when the value of their land increases by more than \$100,000 due to the actions of government, including government decisions to rezone land.

The commencement date for the tax, initially proposed to be next year, has been postponed one year and will begin on 1 July 2023.

### How tax will be calculated

For a rezoning of land that results in a taxable value uplift of:

- > between \$100,000 and \$500,000: the tax will apply at a marginal rate of 62.5% on the uplift above \$100,000
- > \$500,000 or more: a tax rate of 50% will apply to the total uplift.

The tax will be calculated based on valuations undertaken by the Valuer-General Victoria on the pre-rezoning value and post-rezoning value of the land, with the difference between the two representing the uplift of the land.

The pre-rezoning value will be based on the most recent annual general valuation, which is used for other purposes including the calculation of council rates and is calculated as at 1 January. The post-rezoning value will be based on a supplementary valuation of the land based on the new rezoning and will also be valued as at 1 January of the same year.

A factsheet has been released by the government which goes into detail on how the tax will work. Click [here](#) for full details and to view the factsheet.

Please contact us if you have any questions about the windfall gains tax or how it may affect you.





## Move for Mental Health raises \$65,000!

During October, the AFS team participated in Move for Mental Health and claimed the corporate cup for the second year running by being the team that raised the most funds and logged the highest exercise activity.

With the generous donations of our families, friends and clients we raised \$6,400 for Bendigo Health to improve the treatment and recovery outcomes of mental health patients in the Loddon Mallee region.

We completed almost 900 hours of exercise during October which helps our team improve their own mental health by taking a break and spending some time exercising in the fresh air.

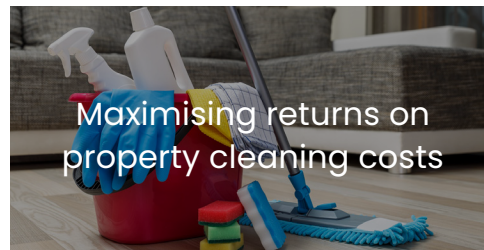
## AFS insights



### Planning for business success post-lockdown

Lockdown restrictions have now been completely eased and Victorian hospitality businesses can begin to take advantage of the increased capacity limits now permitted within their venues.

To ensure your business can thrive over the coming months, it's important to start planning. Our blog outlines the grants available to hospitality businesses and industry benchmarks to compare your performance.



### Maximising returns on property cleaning costs

Warmer weather has arrived and many Australians are looking to freshen up their homes or investment properties.

Property investors have the added benefit of claiming their maintenance and cleaning costs as immediate tax deductions.

Our blog explains how this works and what you must be aware of to ensure any costs are claimed compliantly.



### Tax incentives available for investing businesses

The Research and Development (R&D) Tax Incentive is a tax offset for companies conducting eligible R&D activities.

The offset for R&D conducted from 1 July 2021 is based on a premium on top of your corporate tax rate. The incentive encourages spending and investment by businesses to help grow and innovate whilst also providing benefits for the Australian economy.

## Meet the team Venture Financial Advisers

### Jake van Dalen

Financial Adviser

Jake joined Venture as a Financial Adviser in 2020.



He has an outgoing personality, with a strong passion to build relationships with clients.

Jake played cricket but now enjoys spending time with family which includes his two year old son.

### Ryan Trickey

SMSF Accountant

Ryan is a Self Managed Superannuation Fund specialist.



He enjoys helping clients achieve their retirement goals and is focused on providing the best outcomes.

Ryan's interests include spending time with his family, looking after his hobby farm and following the Essendon Football Club.

To view the blogs in full visit our insights page [afsbendigo.com.au/insights](https://afsbendigo.com.au/insights)



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