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# In the Loop

AUGUST 2019



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### Important Dates

**14 August 2019 – PAYG withholding annual report due**  
**21 August 2019 – July monthly BAS due**  
**28 August 2019 – June quarter SG charge statement due**  
**– June Quarter BAS due**

### An important message

*While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.*

## News from our office

### Rutherglen Takes Home Top Honour.



Grant Steed played in Rutherglen Cricket Clubs winning team that won the Wangaratta & District Cricket Association (WDCA) Grand Final. The final score being Rutherglen 5/114 def Wangaratta Magpies 113.

### Proud Mum Moment

It was a very proud moment in the Heagney household in April as mum Kylie and daughter Bella played together in Corowa Rutherglen United's hockey Division one women's winning team. Even better that Bella scored in the team's thrilling 2-1 win.



### Staff Accolades

Pictured below are three of our staff members, Lisa Newnham, Brad Goyne & Tenaya McGill who recently attended an awards ceremony at Charles Sturt University – Albury-Wodonga campus for various awards received for the 2018 academic year. These awards are a fantastic achievement for a huge amount of hard work demonstrated by each staff member.



### Heather calls it a day

After spending the last 13 years as Kilara Partner's longstanding receptionist, Heather Chisholm has decided to call it a day. Heather has been a valued member of staff and will be sorely missed by all. Heather is looking forward to spending some much valued time with family and travelling around with her husband Alistair.



Pictured above is Heather and Alistair enjoying a lovely glass of vino.

### Malcolm Lake transitioning to retirement.

We wish to advise that Malcolm Lake has retired from his full-time position as Financial Advisor. He will however be advising on a casual basis for the next round of review meetings. Steven Edwards or Skye Sommerville will join Malcolm at the next reviews. Together, they will introduce some exciting new initiatives for clients. If you have any questions, please do not hesitate to contact our office.

### Kilara Partners new Wangaratta Office

We are very excited to announce that Kilara Partners have purchased the previous Doyle Accounting Services business and will move from their Ely Street premises in Wangaratta to 27 Baker Street Wangaratta. We wish to introduce Chris Doyle and Rowie Lincoln who along with Lisa Newnham and Tegan Tillack will be based in our Wangaratta Office. Chris will be employed as a Senior Accountant and Tax Advisor and Rowie will continue in her role as administration and reception manager.



Pictured are Chris and Rowie in front of the Wangaratta Office.

*The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.*

## Client in Focus

### Annabelle Bourchier – Collective



Our client in focus for this edition is Annabelle Bourchier. After gaining a degree in International Studies, Annabelle transitioned into hospitality, having moved to the Victorian Tourist town of Beechworth early last year, Annabelle has taken on a new business adventure, opening up a new eatery in March known as **Collective**.

One of 6 siblings, Annabelle grew up on the family farm known as Burrongong Station, situated in the small Riverina town of Oaklands.

Annabelle's passion for food came at an early age growing up on the family farm, where fresh produce and meat was always abundant. This produce was put to good use through recipes taught to her by her mum and Grandma, who were very good bakers themselves.

Annabelle was always baking goods at home for her family and some of her favourite memories are helping her Grandma make various goodies around the kitchen table.

Annabelle enjoys sourcing in season and fresh local produce from around the North East and together with chef Ameena Paul have devised an innovative breakfast and lunch menu suitable for all dietary types. Collective now have a liquor licence and look forward to pairing this menu with some great wines.

#### Details:

**Collective,**

**40 Ford Street, Beechworth Vic**

**Instagram: @collective.beechworth**

**Open 7am to 3pm daily, except Thursdays**

## Do you know the range of services provided by Kilara Partners?

### Accounting Service

Kilara Partners have a team of qualified accountants that can assist with Business start-ups, cash flow management, Corporate Compliance, management accounting, farm accounting and many other aspects.

### Tax

We love all things tax! But not in the sense you might think.... we love you paying the least amount possible to the Taxman – that's our job. We can assist you with taxation matters, the all crucial tax planning in May/June each financial year, managing GST and PAYGW as well as all tax and compliance matters.

### Business Structure

Getting your Business structures right is an important part of both asset protection, Estate planning and tax planning. With the right structure, you can rest assured knowing that you're set up, ready for what business and life throw at you.

### Bookkeeping

We understand that running a business is not easy and administrative tasks such as Bookkeeping can take valuable time and energy away from your business and your family. We have staff ready to assist with the daily grind of getting your bookkeeping right.

### Financial Advice

Cashflow, Budgeting and Debt reduction –

Many of our clients advise us they have never prepared a budget or have no idea how much spare cash they have each fortnight and have no real plan.

Now let's clarify before we even get started! We aren't here to put you on a tight budget and prevent you from having fun..... we are here to understand how your money is currently working for you and how it could work better for you, as this will change at different stages of your life.

### Superannuation

Superannuation is simply a savings fund set aside throughout your working life to provide for your retirement. Superannuation can also enable funding of Insurance policies and benefits in the event of death, illness or accidents.

Kilara Partners can provide advice on all Superannuation including industry funds, retail funds as well as Self-Managed Super Funds (SMSF).

### **Investment Advice including Share Portfolio Management**

If you'd like your money to start working for you, it's time to learn about investing. Everyone has different needs and circumstances. We recommend you speak to one of our advisors to obtain financial advice before you start putting your money into any form of Investment

### **Wealth Protection and Personal Insurance**

Wealth Protection incorporates a variety of strategies and insurance products to protect you, and the wealth you've generated. Kilara Partners offers unbiased advice and can consider any insurance company, that best suits your needs.

### **Estate Planning**

Estate Planning is the management of your affairs to ensure a smooth transfer of wealth to beneficiaries. The professional team of Kilara Partners are compassionate and experienced in transferring assets smoothly, tax effectively, and in accordance with your wishes. We will work closely with your solicitor to ensure your instructions are drawn accurately and effectively.

### **Self-Managed Super Funds**

A Self-Managed Super Fund provides you with control over your superannuation in terms of what you invest in as you are in charge of your own investment strategy giving you a greater ability to ensure you and your family are well taken care of in future years. An SMSF also allows you and your partner to combine your super, pay one set of fees and choose where you want to put your money whether it be into the stock market, the property market or other alternative investments.

### **Administration and Compliance**

The team at Kilara Partners are here to support you every step of the way.... We will take care of everything from establishment, opening up bank accounts and co-ordinating rollovers. The team will also work with you to ensure your insurance is maintained before you roll out of your current super fund. With the right advice and strategy you will be able to have your own Family Super Fund. The Kilara Partners team are here to help educate you on managing your own super. We will help explore all your options when deciding if an SMSF is right for you and your family.

### **Rutherglen Men's Shed Needs Your Help!**

The Men's Shed organisation engages men who might otherwise be socially isolated, those needing emotional support and those with hobby interests but no facilities to develop, build and maintain community assets, help community members needing furniture repairs etc., and develop projects of their own in a safe, supportive environment. The group has now outgrown its current shed and has received government funding to build a new, bigger shed. The funding, however, will not cover all requirements. If you'd like to help fund essentials such as safe lighting, toilets, dust extractors and air-cleaners as well as meeting room furniture and kitchen equipment please go to the shed's "Go Fund Me" page on the internet at Rutherglen Men's Shed Go Fund Me or contact Ern Walder on 0409 554 762 or Ted Shanks on 0417 588 810. All donations to Rutherglen Men's Shed through Indigo North Health are tax deductible.

### **Victorian Small Business Commissioner**

#### **What is the Victorian Business Commissioner?**

The Victorian Small Business Commissioner (VSBC) is an independent statutory role by the State Governments.

A primary role of the VSBC is to assist businesses resolve disputes with other businesses quickly, at no or low cost, avoiding litigation.

#### **How does the VSBC resolve disputes?**

The VSBC resolves disputes either by:

- Preliminary assistance, which involves assisting the parties over the telephone or by email to work out a solution to the issue; or
- Mediation, where the parties are brought together with an experienced mediator to confidentially discuss their issues with the aim of reaching a resolution acceptable to both parties.

#### **Why Should I use the services of the VSBC?**

The VSBC has been helping businesses resolve disputes and avoid litigation since 2003, saving both parties the cost, time, emotion and distraction of Tribunal or Court proceedings.

What types of disputes can the VSBC assist with?

The VSBC can assist with all types of commercial disputes between businesses, or between business and government. This includes disputes between commercial tenants and landlords. The amount in dispute may be hundreds of dollars or millions of dollars.

For more information contact the Victorian Small Business Commissioner

[vsbc.vic.gov.au](http://vsbc.vic.gov.au)

13 VSBC (13 8722)

121 Exhibition Street

Melbourne VIC 3000

### Luxury Car Tax Relief for Farmers and Tourism Operators

The Government announced it will provide increased luxury car tax refunds to primary producers and tourism operators on vehicles purchased on or after 1 July 2019. Eligible primary producers and tourism operators will be able to apply for a refund of luxury car tax of up to \$10,000, more than tripling the current maximum refund of \$3,000.

The eligibility criteria and types of vehicles eligible for the refund will remain unchanged. The definition of primary producers and tourism operators has also not changed.

[www.ato.com.au](http://www.ato.com.au)

### Instant Asset Write-off with Budget Changes Now Law

Changes to the instant asset write-off rules have now become law, including measures recently announced in the government's Federal Budget. The write-off has been extended to medium sized businesses (with aggregated annual turnover of \$10 million or more, but less than \$50 million), where it previously only applied to small business entities (with aggregated annual turnover of less than \$10 million).

The second important change is that the instant asset write-off threshold increases to \$30,000, where it was previously \$25,000.

The changes apply from 2 April 2019 to 30 June 2020, and the write-off works on a per-asset basis, so eligible businesses can instantly write off multiple assets.

### Low and Middle Income Tax Offset

If your taxable income is less than \$126,000, you will get some of the low and middle income tax offsets.

The amount of the offset you are entitled to will depend on your individual circumstances, such as your income level and how much tax you have paid throughout the year.

The maximum offset is \$1080 per annum. The base amount is \$255 per annum.

It doesn't mean that you will get an extra \$1,080 in your tax return.

The new low and middle income tax offset is available for the 2018-19, 2019-20, 2020-21 and 2021-22 income years and is in addition to the low income tax offset.

[www.ato.com.au](http://www.ato.com.au)

### ABN Status Stripped for Non-compliance

From 1 July 2021, Australian Business Number (ABN) holders will be stripped of their ABNs if they fail to lodge their income tax return.

In addition, from 1 July 2022, ABN holders will be required to annually confirm the accuracy of their details on the Australian Business Register. Currently, ABN holders are able to retain their ABN regardless of whether they are meeting their income tax return lodgement obligations or the obligation to update their ABN details.

[www.ato.com.au](http://www.ato.com.au)



### Don't Get Scammed

The ATO never asks for your confidential details by email.

To learn more about staying safe online, go to [ato.gov.au/onlinesecurity](http://ato.gov.au/onlinesecurity)

### Look Suspicious?

Don't take chances, forward suspicious emails to [ReportEmailFraud@ato.gov.au](mailto:ReportEmailFraud@ato.gov.au)

## Is Solar Power Right for You?

Solar calculator is your resource for everything solar. They provide all of the information you need to decide whether or not to invest in solar power panels and batteries. The web site is full of information for people wanting to go solar, and existing owners wanting storage solutions. The website covers: solar rebates, feed in tariffs, panel size and cost, battery storage, off grid systems, solar finance and electricity usage: and also provide calculators on each of these topics.

The solar calculator will calculate:

- Your optimal system size
- Your solar power production
- The system cost
- Financial savings
- Payback period
- Environmental benefits

<https://solarcalculator.com.au/>

## Victorian Solar Homes Package Rebates available from July 2019



Applications for solar PV rebates will open again on 1 July 2019 with an additional offering of [no-interest loans](#) to complement the rebate, as well as [solar for renters](#) and [solar battery rebates](#). [Solar hot water](#) rebates are still open.

### Interest Free Loans

As part of the Solar Homes program a loan scheme will commence for solar PV systems for owner-occupiers from July 2019. This will allow Victorians to access the benefits of renewable energy at potentially no up-front cost depending on the choice of the system installed.

Eligible households will be able to install solar panels on their home, saving households hundreds of dollars a year on their energy bills. Renters will be able to access an interest-free loan for a solar PV system when the solar for rental properties program begins in mid-2019. Households will be required to pay back the amount of the loan over four years, which will assist Victorians with budgeting for their cost of living.

Households who choose to access the solar PV rebate before the loans scheme opens in July 2019 will not be able to apply for the no-interest loan.

### Solar For Rental Properties

The installation of solar panels is expected to save a typical Victorian household who rents their home \$890 on their electricity bill every year, while landlords will benefit by getting panels at low cost.

Owners corporations will also be eligible. In order to receive the 50 per cent rebate and no-interest loan, they will need to demonstrate that the benefits of installing solar panels will be passed on to tenants.

Solar Victoria is responsible for delivering the Solar Homes package and will provide further details on the program for renters and landlords in the coming months.

### Solar Battery Rebate

Households will have access to a 50 per cent rebate for a solar home battery system up to a maximum rebate value of \$4,839 in 2019-20, which is expected to be the price of a typical 11 kWh solar home battery system.

The solar battery system is expected to save a typical Victorian household up to \$650 a year on their electricity bills, in addition to savings they are already making with solar panels.

Victorians with a household income of up to \$180,000 who live in their own home valued at up to \$3 million are eligible for these rebates. Homeowners will only be eligible for one rebate across the Solar Homes program. These rebates will be applicable to batteries installed after July 2019, and households will need to confirm their eligibility before installing a battery.

Solar Victoria is responsible for delivering the Solar Homes package and will provide further details on all rebates in the coming months. If you would like more information about the Solar Homes program, [register for updates](#) or call 1300 363 744.

## What you need to know from the Victorian 2020 state budget as a Property Developer or Investors

Here is what you need to know as a property developer / investor arising from the 2019-2020 Victorian State Budget handed down in Parliament on Monday 27 May 2019:

- 1. Foreign Purchaser Additional Duty:** This will increase from 7% to 8% from 1 July 2019. Therefore, where possible, it may be preferred for foreign purchasers to enter into a contract on or before 30 June 2019;
- 2. Absentee Owner Surcharge:** This will increase from 1.5% to 2% from the 2020 land tax year;
- 3. Principal Place of Residence:** Adjoining blocks of land from the main residence on a separate title and without a residence will no longer be eligible for the principal place of residence land tax exemption. This will apply from the 2020 land tax year. Therefore, impacted owners may consider whether to consolidate such land titles;
- 4. Corporate reconstruction exemption:** Currently, if entities within the same corporate group move assets between entities, there may be possibility from relief from landholder duty when transferring real estate between members of the corporate group. From 1 July 2019, the value of this concession will be reduced and a duty rate of 10% of the duty otherwise payable will be applied;
- 5. Duty concession for regional business:** From 1 July 2019, a land transfer duty concession will be provided to commercial and industrial property transactions in regional Victoria. A 10% concession will be provided from 1 July 2019 scaling to 50% by 1 July 2023.
- 6. Land Tax:** Given the recent decline in Property prices and the annual valuations that are being undertaken by the Valuer-General of Victoria, it is expected that there should be minor overall downward valuations for land values. This will reduce the budgeted 2019 to 2020 land tax revenue by the State Revenue Office.

The above changes highlight the continued importance of implementing a business and asset holding structure that is as tax effective as possible to mitigate against any unnecessary landholder duty and land tax costs.

Please contact our office if you would like to explore the above issues further for your business.

## Getting PAYG Withholding right

As the end of the financial year approaches, it is important to be aware of changes to compliance obligations for small business owners. New penalties for business' pay-as-you-go (PAYG) withholding and reporting obligations will commence 1 July 2019, with businesses now prevented from claiming deductions for payments to employees and certain contractors if they fail to comply.

Payments that are impacted include salaries, wages, commissions, bonuses or allowances to an employee, payment under a labour-hire arrangement, payment to a religious practitioner or payments for a supply of service.

The new laws will prevent an employer from claiming a deduction for payments to employees if they fail to withhold an amount as required under PAYG withholding rules or report a withholding amount to the ATO.

It is also necessary to understand the importance of lodging your business activity statement on-time, as a failure to do so may result in a business permanently losing its tax deduction for wages paid under the new law.

Businesses will also have to ensure they obtain a valid ABN from their suppliers and withhold at the top marginal rate if an ABN is not provided. A business that fails to comply with these rules will be denied a deduction if the payment relates to a contract for the supply of services.

Contracts for goods and property are excluded from the operation of these new laws.

Voluntarily disclosing mistakes to the ATO before an audit or other compliance activity in regard to your tax affairs can allow your business to retain their deduction. Taking early action to ensure your business is compliant to these updated PAYG withholding laws will make a difference to whether you remain eligible for deductions.

[www.ato.com.au](http://www.ato.com.au)

## Planning ahead Key for Aged Care Needs



As Australians live longer and longer, there is an increasing likelihood that they will need some kind of health care assistance in their lifetime. This could include help around the house, independent living with moderate care, or high-level residential nursing care. At first glance, these options can seem very expensive. However, government funding is available for many individuals, no matter their financial circumstances. An assessment by the Department of Human Services (DHS) is necessary for accessing government subsidies. It is therefore very important to plan ahead and structure assets and income in a way that results in a favourable assessment.

### Consider Financial Position

Before submitting any assessments, a good place to start is considering how to optimise your financial position. Often, we see clients who have already sold assets or made incorrect declarations before their options have been properly assessed. By sending in an assessment prematurely, people are committed to an outcome that may be less beneficial.

### Keep up to date

Legislation for aged care is constantly evolving, resulting in grandfathering for those already receiving help. However this presents a new set of rules for those trying to access the same benefits. For example, in January 2015, changes were made to the way superannuation is assessed for both the Age Pension and aged care fees, so any withdrawal from super could be less favourable for government funding. In January 2016 the family home lost rental income

exemptions as well as the indefinite exemption from aged care assessment. These changes have had a considerable impact on how people should consider what to do with the home and in turn how the Assets and Income Assessment should be completed.

### Plan ahead

Those that plan ahead will be well-placed to access the best and most appropriate care that doesn't break the bank. They may even be lucky enough to find themselves in a position to access an Age Pension or Seniors Health Care Card that they were previously not entitled to.

Remember, while aged care can be a daunting and emotional experience, it's designed to be affordable for everyone.

### Get advice

Our biggest tip is to get advice early. It can be a complicated area, and there will almost certainly be opportunities or pitfalls that take people by surprise. Specialist help can help achieve the best possible result for all but not if it is sought too late.

Please call our office to book an appointment to go over your options.

## Say goodbye to AUSKey

The ATO is developing new online services systems as AUSKey will be retired next year. Replacing AUSKey will be myGovID and Relationship Authorisation Manager (RAM). MyGovID will be a way to prove who you are online as an individual. This system will work by establishing your identity once online and then using your myGovID credentials to access government services you need online. The myGovID will feature facial recognition, ability to scan identity documents and options to add or remove multiple devices. Relationship Authorisation Manager (RAM) will manage authorisations across government services for businesses and their staff. RAM gives you the ability to add multiple businesses, access the business portal on behalf of multiple businesses, modify authorisations, customise and delegate the level of business authorisation for employees and nominate who can act on behalf of your practice. AUSkey can still be used to access online ATO services while myGovID and RAM are being developed.



## Extended land use test

To meet this test you need to be using the land to make an income, if possible. This could mean:

- you or a family member are running a farming business on the land
- leasing the land to someone else for a commercial rate of return
- having little or no scope to earn income from the land

Human Services consider:

- where the land is
- your family situation, for example caring responsibilities
- your health
- if any of your family have their own house on the land
- if the land supports you and your family or a younger generation of your family
- any commercial land use
- any scope for commercial land use
- environmental issues, like a drought
- if the land combines 2 or more blocks or titles

## Examples

### Example 1

Bob is single and 65. He owns 30 hectares on a single title. He's lived there all his life and runs it as a dairy farm. As long as Bob keeps working the farm to its potential, the whole property is exempt from the assets test. Any other business assets aren't exempt, such as stock and sheds.

### Example 2

Betty and Jim moved to their 5-hectare, single title rural residential block 21 years ago. The block is scrubby, with no water. There's not much scope to earn income from it and the council won't let them subdivide it. This means the whole property is exempt from their asset's tests.

### Example 3

Jenny is 85 and has lived on her 100-hectare single title farm for the past 40 years. She can't run the farm on her own anymore. Her son John and his family live in another house on the land. John earns his living from running the farm. The whole property is exempt from Jenny's assets

<https://www.humanservices.gov.au/individuals/topics/rural-customers-and-primary-producers/27571>

## Recipe

### Beechworth Collective - Sticky Apple and Almond Morning Buns



## Ingredients

**Filling:** 2 large apples, peeled, cored and diced; 100g toasted almonds, chopped; 150g brown sugar, plus extra; 2 tsp cinnamon

**Sticky topping:** 80ml maple syrup; 50g butter, melted; 50g brown sugar; 50g almonds, toasted, chopped

**Dough:** 560g plain flour; 2 tbsp baking powder; 1/2 tsp salt; 240g cold butter, chopped; 300ml buttermilk; 75g butter, melted

## Method

Mix brown sugar and cinnamon in a bowl. Toss through apples and almonds. Simmer maple syrup, butter and brown sugar until thickened. Add almonds. Mix flour, baking powder and salt in a processor. Add cold butter and process until the mixture resembles breadcrumbs. With motor running, pour in buttermilk until the dough comes together. Tip mixture onto a floured board and knead for 20 seconds. Rest 5 minutes roll into 20cm by 30cm rectangle. Brush with melted butter and sprinkle with brown sugar, scatter apple mixture. Roll dough up to form a log, cut into 12 pieces. Bake at 200 degrees for 30 minutes. Drizzle with topping.