



## Welcome to our Spring 2025 Newsletter

***“Spring, a lovely reminder of how beautiful change can be”***

## Meet Sharon Young



We're excited to formally introduce Sharon Young, the new Manager of our Shepparton Office, who has been an integral part of Moggs Accounting + Advisory for the past 11 months.

With a natural knack for numbers and a passion for law, Sharon found the perfect fit in accounting and tax law. It's this combination of skills that drives her to deliver meaningful outcomes for clients — not just doing the numbers, but helping people understand them.

When asked what she loves most about working at Moggs Accounting + Advisory, Sharon didn't hesitate:

**“The camaraderie — and having a good laugh not just with the team, but also with our clients!”**

Sharon is especially passionate about client care, ensuring every person feels confident and supported in their financial journey. For those just starting out in accounting, she offers this simple advice:

**“Don't give up. Although some days it seems daunting, it's worth it in the end.”**

Outside the office, you'll find Sharon enjoying time with two energetic dogs — Brandy (a Vizsla) and Shadow (a Weimaraner) — or out sailing on the ocean, embracing the open water.

## This issue:

**Meet The Team**

**Bill to Reduce Student Debt**

**Stop financial abuse**

**Incorporated Associations**

**Interest deductions:**

**Superannuation rates**

**Building our cyber safe culture**

**Barry Lambert Award**

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## Bill to reduce student debt now law

The Universities Accord (Cutting Student Debt by 20 Per Cent) Act 2025 ('the Act') recently received Royal Assent, and it is now law. The Act delivered on the 2025/26 Federal Budget announcement to reduce student debts. More particularly, the Act: provides a one-off 20% reduction to Higher Education Loan Program ('HELP') debts and other student loans that were incurred on or before 1 June 2025; increases the minimum repayment threshold from \$54,435 in the 2024/25 income year to \$67,000 in the 2025/26 income year (to continue to increase each year with the growth in wages); and introduces a marginal repayment system where compulsory student loan repayments are calculated only on income above the new \$67,000 threshold rather than having it based on a percentage of the repayment income.

## Stopping financial abuse in the tax and regulatory system

The Tax Practitioners Board ('TPB'), the Tax Ombudsman, the UNSW Tax Clinic and tax practitioners are working together to address the financial abuse of vulnerable Australians.

The Tax Ombudsman's recent report on the impacts of financial abuse highlights the devastating impact of financial abuse on victim-survivors and provides actionable recommendations to improve support, accountability, and collaboration across government agencies.

Alarmingly, data reveals one in six women and one in 13 men have experienced financial abuse by an intimate partner, with the tax system often weaponised to create debts in victim-survivors' names. Financial abuse generally refers to a pattern of controlling, exploitative, and disruptive behaviors. It may include taking control of someone's finances, denying someone access to their own or joint bank accounts, or making one partner liable for debts they did not incur.

The TPB and Tax Ombudsman are working together to shed light on the alarming ways the tax system is being weaponised from coercive control to fraudulent tax returns. In their recent webinar they explored the tactics used by perpetrators and how the tax profession can play a vital role in prevention, detection, and providing support for those who have suffered.

TPB Chair, Peter de Cure AM, said: "Regulators and tax practitioners are committed to assisting victim-survivors and preventing tax system financial abuse." The UNSW Tax Clinic, and tax agent Annette Tasker actively support and provide advice and compassion to help victim-survivors rebuild their lives.

Ms Tasker said: "Financial abuse can happen to anyone, and the impacts can be devastating and long lasting for victim-survivors and their families. When talking to clients, I encourage tax practitioners to look out for a power imbalance among clients, ask questions if you suspect someone is a victim of financial abuse and make sure you meet with all clients you are representing."

# Incorporated Associations

The financial reporting and audit landscape for incorporated associations has been changing over the last few years and with changes in the NSW Tiers for reporting requirements changing effective 27th June 2025, it was time to review the current reporting and auditing requirements for Incorporated Associations.

## NSW

Incorporated associations must lodge annual financial summaries in the approved form within one month after the Annual General Meeting (AGM), and no later than 7 months after the incorporated associations financial year end with NSW Fair Trading.

Incorporated associations must keep accurate records of their financial transactions and positions. If financial records are in a language other than English, an English translation must also be kept with them.

## Financial reporting

The Act divides incorporated associations into 2 tiers for reporting purposes.

Large, or Tier 1, incorporated associations are those with gross receipts over \$500,000 or current assets over \$1,000,000. These incorporated associations must submit audited financial statements annually to members at the AGM.

Small, or Tier 2, incorporated associations are those with gross receipts that are \$500,000 or less or with current assets that are \$1,000,000 or less. Tier 2 incorporated associations are required to submit a summary of their financial affairs to the AGM.

## Tier 1 incorporated associations financial reporting

### Before the Annual General Meeting (AGM)

As soon as practical after the end of the incorporated association's financial year, the committee must:

- Prepare financial statements following Australian Accounting Standards
- Arrange for the statements to be audited in time for submission to members at the AGM
- Review the financial statements. Confirm they show a true and fair view of the incorporated association's financial performance and financial position. It is good practice to record this confirmation in the minutes of the committee meeting
- Ensure the AGM is held within 6 months of the end of the financial year.

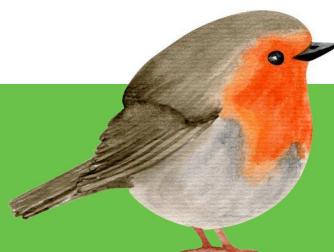
### At the Annual General Meeting (AGM)

- The committee must arrange for the financial statements and auditor's report to be presented at the meeting and include the following in the AGM minutes:
  - A copy of the financial statements
  - The auditor's report,
  - And any resolutions passed regarding them.

### After the Annual General Meeting (AGM)

Within one month following the AGM, the committee must lodge with NSW Fair Trading:

- The A12 T1 Annual summary of financial affairs
- A signed and dated auditor's report.





## Tier 2 incorporated associations financial reporting

### Before the annual general meeting (AGM)

As soon as practical after the end of the incorporated association's financial year, the committee must:

#### Prepare financial statements that include:

- An income and expenditure statement listed by category, and all income and expenses incurred from running the incorporated association
- A balance sheet that sets out current and non-current assets and liabilities
- A separate income and expenditure statement, and balance sheet which must be done for each trust where the incorporated association is the trustee
- Any mortgages, charges, or other securities on property owned by the incorporated association.
- Check the financial statements. They should show an accurate and fair view of the incorporated association's financial performance. It is good practice to record this confirmation in the minutes of the committee meeting.
- Ensure the AGM is held within 6 months of the end of the financial year.

### Audit of financial statements

NSW Fair Trading does not require Tier 2 incorporated associations to audit their financial statements. However, it may direct an incorporated association to conduct an audit and submit an auditor's report. An incorporated association's constitution or funding arrangements may require an audit.

### At the Annual General Meeting (AGM)

The committee must:

- Arrange for the financial statements to be presented to members at the meeting
- Include a copy of the financial statements and any resolutions about those statements in the AGM minutes.

### After the Annual General Meeting (AGM)

Within one month following the AGM, the committee must lodge with NSW Fair Trading:

- The Form A12 T2 Annual summary of financial affairs
- The financial statement presented to members at the AGM and other documents such as the minutes, agenda and notice of meeting are not required to be lodged, unless specifically requested by NSW Fair Trading.

### VIC

From 1 July 2024 an incorporated association will fall into the following categories according to total revenue. Total revenue is an association's total income from all its activities during its financial year, before deducting any expenses including the cost of goods sold.

- Tier 1 – less than \$500,000
- Tier 2 - \$500,000 to \$3 million
- Tier 3 – more than \$3 million.



# Preparing financial statements (all Tiers)

Your association must prepare its financial statements as soon as practical after the end of its financial year.

An association must present its completed financial statements to members at the Annual General Meeting (AGM). You must hold the AGM within five months from the end of the financial year.

## Financial statements must contain:

- Income and expenditure (Income Statement) for your association's financial year
- Assets and liabilities (Balance Sheet) at the end of its financial year
- Other documents required by accounting standards, such as a cash flow statement

## Notes to the account, which must include:

- Information required by the accounting standards
- Information necessary to give a true and fair view
- Information required by the provisions of the Act and its regulations.

## In the notes to the account, you must disclose:

- Any mortgages, charges and securities affecting any property of the association at the end of its financial year
- Any trust, held on behalf of the association by a person or body other than the association, in which funds or assets of the association are placed

## For each trust your association was a trustee of during any part of its financial year, you must disclose any:

- Income and expenditure (Income Statement) of the trust during that period
- Assets and liabilities (Balance Sheet) of the trust during that period
- Mortgages, charges and securities affecting any property of the trust at the end of that period.

# Auditing and reviewing requirements (Tiers 2 and 3 only)

For Tier 2 or Tier 3 incorporated associations with higher levels of revenue, there are further financial reporting requirements. Your association will require professional assistance to prepare your financial statements.

As part of the annual statement process, Tier 2 and Tier 3 associations will need to lodge a copy of their financial statements with Consumer Affairs Victoria. These are lodged as part of the [annual statement process](#). The public can request access to financial statements lodged however, there is a fee for this service.



## Tier 2 review requirements

The financial statements must be reviewed by an independent accountant, in accordance with Auditing Standards on Review Engagements. The independent accountant's written report of their review must be submitted, together with the financial statements, to members at the AGM.

### **The independent accountant must be:**

- A member of, and hold a current practicing certificate issued by either CPA Australia, the Institute of Chartered Accountants in Australia or Institute of Public Accountants, or
- Any other suitably qualified person approved by the Registrar of Incorporated Associations for this purpose, such as a member of the Association of Taxation and Management Accountants holding a current practicing certificate.

If the rules of your Tier 2 association state that its financial statements must be audited, your association can have its financial statements audited instead (see audit requirements below) and an additional review by an independent accountant is not required.

The review report must be submitted, together with the financial statement, to members at the AGM.



## Tier 3 audit requirements

The financial statements must be audited by an independent auditor in accordance with the Australian Auditing Standards. The audit must be submitted, together with the financial statements, to members at the AGM.

### **The independent auditor must be:**

- A registered company auditor or firm, or
- A member of, and hold a current practicing certificate issued by either CPA Australia, the Institute of Chartered Accountants in Australia or Institute of Public Accountants, or
- Any other suitably qualified person approved by the Registrar of Incorporated Associations for this purpose, such as a member of the Association of Taxation and Management Accountants holding a current practicing certificate.

### **The independent auditor must not be:**

- A member of the association's committee
- An employer or an employee of a member of the committee
- A member of the same partnership as a member of the committee
- An employee of the association.

If your incorporated association is also a registered charity with Australian Charities and Not-for-Profits Commission (ACNC) then you may be exempt from reporting requirements to NSW Fair Trading and CAV.



## Interest deductions: risks and opportunities

This tax season, we've seen a surge in questions about whether interest on a loan can be claimed as a tax deduction. It's a great question as the way interest expenses are treated can significantly affect your overall tax position. However, the rules aren't always straightforward. Here's what you need to know.

### The purpose of the loan

The most important thing when looking at the tax treatment of interest expenses is to identify what the borrowed money has been used for. That is, why did you borrow the money?

For interest expenses to be deductible you generally need to show that the borrowed funds have been used for business or other income producing purposes. The security used for the loan isn't relevant in determining the tax treatment.

Let's take a very simple scenario where Harry borrows money to buy a new private residence. The loan is secured against an existing rental property. As the borrowed money is used to acquire a private asset the interest won't be deductible, even though the loan is secured against an income producing asset.

### Redraw v offset accounts

While the economic impact of these arrangements might seem somewhat similar, they are treated very differently under the tax system. This is an area to be especially careful with.

If you have an existing loan account arrangement, you've paid off some of the loan balance and you then use a redraw facility to access those funds again, this is treated as a new borrowing. We then follow the golden rule to determine the tax treatment. That is, what have the redrawn funds been used for?

An offset account is different because money sitting in an offset account is basically treated much like your personal savings. If you withdraw money from an offset account you aren't borrowing money, even if this leads to a higher interest charge on a linked loan account. As a result, you need to look back at what the original loan was used for.

## Superannuation rates and thresholds updates

### Superannuation guarantee rate now 12% what it means for employers

From 1 July 2025, the superannuation guarantee (SG) rate officially rose to 12% of ordinary time earnings (OTE). This is the final step in the gradual increase legislated under previous reforms.

### What's changed?

- Old rate: 11.5% (up to 30 June 2025)
- New rate: 12% (from 1 July 2025)

This increase affects cash flow, payroll accruals and employment contracts, especially where total remuneration includes superannuation.

### Employer checklist

Update payroll software, ensure systems are calculating 12% SG correctly from 1 July 2025 pay runs.

Review employment agreements, if contracts are set to inclusive of superannuation, the take-home pay of employees may reduce unless renegotiated or the employer decides to bear the cost of the increased SG rate.

Budget for higher super contributions: consider possible cash flow impacts. Remember that significant penalties can be imposed for late or incorrect SG payments, including loss of deductions, interest and other administration charges.



Act Now.  
Stay Secure.

# Building our cyber safe culture

October is Cyber Security Awareness Month, a time to talk cyber with your family, friends and colleagues and take action to build a cyber safe culture. The theme for Cyber Security Awareness Month is Building our cyber safe culture.

## Take simple actions to safeguard yourself online:

- Install all software updates to keep your devices secure
- Use a unique and strong passphrase on every account
- Always set up multi-factor authentication (MFA) Cyber Security

Awareness Month is an annual reminder to take action to secure your devices and accounts from cyber threats.

Protecting yourself online doesn't have to be hard. There are simple actions that you, your family, friends and colleagues can take to improve your cyber security. Make cyber security an everyday habit. Just like buckling your seatbelt or locking your front door, cyber safe behaviours protect your accounts and devices.

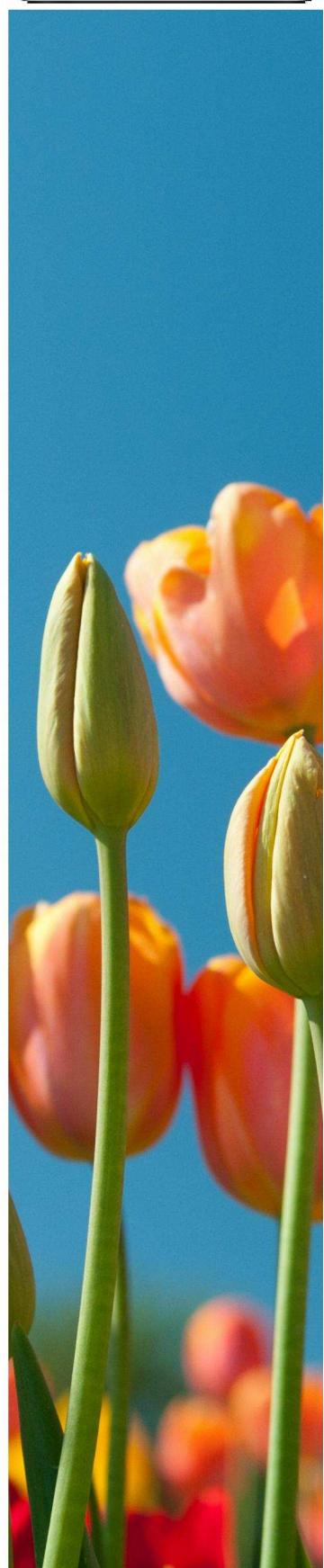
Get advice and guidance to help you take action to improve your cyber security at <https://www.actnowstaysecure.gov.au/>



## Building our cyber safe culture

Make cyber security an everyday habit. Just like buckling your seatbelt or locking your front door, cyber safe behaviours protect your accounts and devices.

[Cyber Security Awareness Month](#)



## Barry Lambert - Count Charitable Award

Moggs Accounting + Advisory have been recognised for their exceptional community fundraising and volunteer work within the Count Financial network.

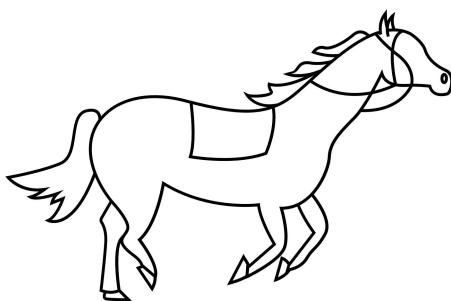
This award, presented by the Count Charitable Foundation, celebrates firms who demonstrate meaningful, long-term impact through their philanthropic partnerships and local community engagement.

Moggs Accounting + Advisory shares this recognition with Smart Private Wealth, acknowledging both firms efforts in contributing and making a difference.

As part of the award, we will receive a **\$5,000 grant** to donate to a not-for-profit organisation of our choice, continuing our commitment to supporting causes that make a real difference in our regional communities.

## Office Closures

**Cobram and Shepparton Offices  
will be closed Tuesday 4<sup>th</sup> November 2025  
due to Melbourne Cup Day**



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