



Anna Grant and Andrea Creighton are local businesswomen, mothers to five kids between them, best friends and the co-owners of Inna Essence, located in the South City complex on Logan Road in Underwood.

**INNA ESSENCE HAS JUST OPENED** their brand new, custom-designed studio and offer a wide range of classes including Reformer and Mat Pilates, Barre, Breathe Strength and Meditation classes, as well as a wide variety of Yoga classes, including Active Flow, Gentle Flow, Rise and Shine, Vin Yin and Restorative Yoga – 7 days each week.

Anna and Andrea founded Inna Essence just two short years ago out of the function room at the Springwood Pumas AFL Club. Their vision was to create a space where clients felt greatly cared for and would receive an experience that helped them to reconnect with their inner calm, create a sense of peace and empower members to feel connected and healthier in their mind and body. Due to the amazing support of the local community, their business thrived and outgrew the function room, so much so that they have recently moved into a new, larger studio space. Wanting to stay close by and connected to their community, moving to the South City complex just around the corner, was perfect for both the studio and their beloved clients.

As Stott Pilates® certified Mat and Reformer instructors, Anna and Andrea truly believe in the lifelong benefits of Pilates and Yoga. “Not only are they both an amazing form of low-impact exercise, they are also an attainable and sustainable form of movement on a long-term basis. In addition to this, Pilates and Yoga not only provides an effective physical workout, both provide an integral mental health benefit for our members, which is particularly vital during the current pandemic we are living through.”



Andrea Creighton and Anna Grant receive a plaque from the Hon. Mick de Brenni MP who officially opened the new studio.

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“Pilates and Yoga gives our members the mental space to restore, relax and rejuvenate, to take the time to take care of themselves in that moment in our studio. We believe that if you do not take care of yourself first, you will not be strong enough to take care of anyone or anything else in your life.”

The difference between Mat Pilates and Reformer Pilates is a common question that Anna and Andrea are asked. “Both forms of Pilates help improve flexibility and muscular endurance, which can aid in reduced risk of injury, improved posture and spinal alignment. Reformer Pilates focuses greatly on core stabilisation, muscular endurance, peripheral joint stability, balance and co-ordination.”

“Reformer Pilates is performed using the Pilates reformer machine and can be more intense and dynamic than mat-based Pilates with the added resistance of springs which form part of the machine. Each reformer has five springs, varying in strength and so when combined can add up to some considerable resistance. That said, there are some exercises, when performed with a very light spring are much more challenging. So the intensity of each exercise is greatly varied from person to person, making the Reformer an incredibly versatile workout and rehabilitation tool.”

“Reformer can also be of great benefit to anyone working through injury, as a rehabilitation tool. This is because it allows the client to exercise on a horizontal plane, therefore not load bearing vertically through the body. For example, for a client with a knee or ankle injury, they could be working lying down, focusing on stabilising and strengthening the muscles of the leg through a greater range of motion and with lighter resistance than their own body weight – speeding up their recovery through controlled movement.”

“Mat Pilates, as the name suggests, is Pilates exercises that are done on the floor or yoga mat and are a strengthening and lengthening form of exercise that focuses on your core muscles by using controlled breathing during body weight resisted movements to build core strength. Pilates works the entire body and emphasises biomechanical function and overall health; when we become conscientious about how we exist within and move our body, then transformation, strength and functional movement are restored.”



## LOSS CARRY BACK TAX OFFSET FOR COMPANIES

EFFECTIVE IN THE 2021 FY, the recent introduction of the loss carry back rules provides a refundable tax offset if an eligible company:

- Made tax losses in the 2019–20, 2020–21 or 2021–22 income years;
- Had an income tax liability for the 2018–2019, 2019–2020 or 2020–21 income years.

Eligible companies get the offset by choosing to carry back losses to earlier years in which there were income tax liabilities. The offset effectively represents the tax the eligible company would save if it was able to deduct the loss in the earlier year using the loss year tax rate. As it is a refundable tax offset, it may result in a cash refund, a reduced tax liability or a reduction of a debt owing to the ATO.

The eligible company does not need to amend the earlier income years to claim the offset.

If an entity does not choose to carry back a loss, the loss may be carried forward to use in a later income year.



## SUPER GUARANTEE RATE RISING 1 JULY 2021

A REMINDER TO CLIENTS that on the 1st July 2021, the super guarantee rate increased from 9.5% to 10%.

If you have employees, you will need to ensure your payroll and accounting systems are updated to incorporate the increase to the super rate.

The super rate is scheduled to progressively increase to 12% by July 2025.

# CONTRACTOR VS EMPLOYEE — THE ISSUE OF SUPERANNUATION

In line with many of our fellow colleagues in the accounting profession, we have recently seen increased ATO activity in superannuation compliance audits for employers.

## THE MAJORITY OF AUDITS

we have seen were instigated simply by a phone call to the ATO by a single disgruntled former contractor or employee.

Regardless of whether the complaint was malicious or not, the ATO has no filter and in all cases will expend considerable Commonwealth resources in conducting a lengthy audit of the employer. This is often an expensive exercise where a client does not have audit insurance given audits cover three or more years.

Audits conducted by the ATO not only include employees, but also include a thorough review of payments made to contractors as the ATO will often seek to classify individual contractors as employees for superannuation and PAYGW purposes.



Employers should be aware it is incorrect to treat an individual registered with an ABN as a contractor where the bulk of their services performed is payment for their labour unlike contractors that operate out of a separate legal entity such as a Company or Trust.

We urge clients to contact our office if you are unsure of the correct classification of workers in your business given the ATO will levy heavy penalties in relation to non-payment of employee superannuation in addition to other non-compliance issues such as PAYGW.

Generally speaking, an employee works in your business and is part of your business. A contractor is running their own business. As a general guide, the following table is provided by the ATO to assist employers in determining whether a worker is an employee or contractor. It outlines six of the factors that, taken together, determine whether a worker is an employee or contractor for tax and super purposes.

EMPLOYEE	CONTRACTOR
<b>ABILITY TO SUBCONTRACT/DELEGATE</b> The worker can't subcontract/delegate the work – they can't pay someone else to do the work.	<b>ABILITY TO SUBCONTRACT/DELEGATE</b> The worker can subcontract/delegate the work – they can pay someone else to do the work.
<b>BASIS OF PAYMENT</b> The worker is paid either: <ul style="list-style-type: none"> <li>• for the time worked;</li> <li>• a price per item or activity;</li> <li>• a commission.</li> </ul>	<b>BASIS OF PAYMENT</b> The worker is paid for a result achieved based on the quote they provided. A quote can be calculated using hourly rates or price per item to work out the total cost of the work.
<b>EQUIPMENT, TOOLS AND OTHER ASSETS</b> Your business provides all or most of the equipment, tools and other assets required to complete the work, or the worker provides all or most of the equipment, tools and other assets required to complete the work, but your business provides them with an allowance or reimburses them for the cost of the equipment, tools and other assets.	<b>EQUIPMENT, TOOLS AND OTHER ASSETS</b> The worker provides all or most of the equipment, tools and other assets required to complete the work the worker does not receive an allowance or reimbursement for the cost of this equipment, tools and other assets.
<b>COMMERCIAL RISKS</b> The worker takes no commercial risks. Your business is legally responsible for the work done by the worker and liable for the cost of rectifying any defect in the work.	<b>COMMERCIAL RISKS</b> The worker takes commercial risks, with the worker being legally responsible for their work and liable for the cost of rectifying any defect in their work.
<b>CONTROL OVER THE WORK</b> Your business has the right to direct the way in which the worker does their work.	<b>CONTROL OVER THE WORK</b> The worker has freedom in the way the work is done, subject to the specific terms in any contract or agreement.
<b>INDEPENDENCE</b> The worker is not operating independently of your business. They work within and are considered part of your business.	<b>INDEPENDENCE</b> The worker is operating their own business independently of your business. The worker performs services as specified in their contract or agreement and is free to accept or refuse additional work.



## CONGRATULATIONS TO OUR COMMUNITY HERO

ELLA MIENER IS A NURSE WITH A BIG HEART – and this fantastic attribute has been recognised on the world stage! Ella, a graduate nurse working at St Vincent’s Private Hospital in Toowoomba, was crowned Miss Diamond International in April earlier this year.

Designed to celebrate the beauty in diversity and generosity, the Miss Diamond pageant started in 2015 has raised more than \$234,000 for various charities across the world.

Fundraising for a charity that’s close to each entrant’s heart is the foundation of the Miss Diamond program, with Ella choosing to support Radio Lollipop at The Queensland Children’s Hospital in Brisbane. Ella volunteered there in 2018 while completing her nursing degree at Griffith University and saw the profound benefits that bedside play had on young patients.

“Studies have shown there’s an 82 per cent reduction in requests for pain relief when the children are distracted from reality of being in hospital through things like Radio Lollipop,” Ella said. “The volunteer work I did then was really relevant to my nursing career as I learnt how to talk to patients and their families.”

Ella raised more than \$1,000 for Radio Lollipop, mainly through crowd funding, and hopes to continue contributing much-needed funds to the charity. Her experience with Radio Lollipop has inspired her ambition to become a specialist paediatric nurse.

The vivacious 21-year-old competed with entrants from across the globe both in person and virtually to take out the award. Congratulations, Ella! We are very proud of you.

## 2022 TAX RATES

INDIVIDUALS	
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 OVER \$180,000

COMPANIES	
ENTITY TYPE	TAX RATE
BASE RATE ENTITIES (E.g. TRADING ENTITIES)	25%
OTHER ENTITIES (E.g. INVESTMENT, NON-TRADING)	30%

## COVID-19 EMPLOYER VACCINE MANDATES

In this addition of our newsletter, we have enclosed a separate article prepared by HR Law that addresses the legal implications of whether employers can mandate that employees have the COVID-19 vaccination.

Should clients require any further advice in relation to COVID-19 or other HR workplace employer/employee obligations we recommend you contact Jill Hignett at HR Law.

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