



Capraro Consulting Pty Ltd
is a CPA Practice
ACN 127 453 785

November 2020

SUPERHERO ACCOUNTANTS!

Accountants are proving to be trusted advisors – and a vital source of support – during the current pandemic.

YouGov based information from over 500 small business owners with fewer than 10 employees show that 23% of these small business owners admit they would have struggled to manage the impacts of the pandemic had it not been for the support of their accountant or bookkeeper. That number increases to 42% for millennial business owners.

#1

Paying for the advice of an accountant or bookkeeper is now the top tip small business owners would give to someone looking to start their own business. Pre COVID-19, the top advice was to start their business as a side hustle.

23%

The increase in Australian small businesses paying for the support of an accountant or bookkeeper.

41%

Interpreting and applying for JobKeeper and other government stimulus programs was the most popular area of support listed by small business owners.

87%

The vast majority of small businesses utilise the services of an accountant, bookkeeper or adviser to assist with their tax returns, while 58 per cent also receive support in navigating tax legislation.

94%

Millennial business owners or managers view accountants as particularly vital. Almost all turned to their accountant or bookkeeper for support, and four in 10 said their business would have struggled to survive without their assistance.

We're just a phone call/email/text/message away!

WORKING AUSTRALIANS FEEL THE COVID IMPACT

Researcher Roy Morgan has tracked the impact of COVID-19 on the employment situations of Australians, which shows that two-thirds of working Australians (67%) have had "a change to their employment" due to the pandemic.

Just before the end of the financial year, 11.2 million working Australians (72%) reported a change to their employment circumstances because of COVID-19. By the first month of the new income year, there were still 10.4 million reporting their employment situation had changed.

Nearly three-quarters of working Tasmanians (74%) have had a change to their employment due to the impact of the coronavirus, which is just ahead of people working in VIC (71%) and NSW (70%). The impact has

been noticeably less in the three states which have dealt most effectively with COVID-19. Only 57% of working people in South Australia have had a change to their employment and 62% in each of WA and QLD.

<http://www.roymorgan.com/findings/8501-roy-morgan-coronavirus-crisis-impact-on-employment-july-2020-202008250212>

SURPRISINGLY LOW "MORTGAGE STRESS" DURING COVID

New research from Roy Morgan found that in the three months to August 2020, 20.2% of mortgage holders were "at risk" (751,000) which is near the record low of 723,000 reported a year ago in the three months to October 2019. The researcher notes however that the significant support provided to the economy by the Federal Government, as well as measures taken by banks and financial institutions to support borrowers over the last six months, is not going to last forever.

<http://www.roymorgan.com/findings/8544-mortgage-risk-during-covid-19-pandemic-august-2020-202010190553>

GET SMART WITH MENTAL HEALTH

Apart from moral and ethical reasons to ensure the mental health of employees, the financial argument is also compelling.

Mental health disorders are the leading cause of work disability, and are estimated to cost the global economy up to A\$23 trillion by 2030.

"Claims for workplace compensation around mental health issues are on average more costly, and require more days absent than any other type of workplace injury," says Dr Gavin Brown, a clinical psychologist who offers resilience programs designed to deliver mental health and wellbeing concepts in a business environment.

According to Dr Tyler Amell, global expert on workplace health, and chief relationship officer at CoreHealth Technologies, poor mental health in the workplace can directly trigger physical health problems, heightening unproductivity or presenteeism (sick workers at work) and absenteeism.

Presenteeism costs Australian organisations A\$34 billion a year, while globally the direct cost of paid time off, including sick leave and holiday leave, as a percentage of payroll, ranges from 12.2% in China to 12.3% cent in Europe. Contrast these figures against the return on investment (ROI) in wellness for employees. PwC research has found that every dollar

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spent creating a mentally healthy workplace can, on average, generate a return of A\$2.30.

UNDERSTAND THE PROBLEM

Before a presenteeism or absenteeism problem can be addressed, it must be properly understood.

Brown says mental health challenges can arise from one of four domains: organisational (the culture and policies of an organisation as a whole); task demands (responsibilities as well as workload); interpersonal (quality of workplace relationships & nature of conflict); and intrapersonal (the individual's personality & coping style).

BUILD RESILIENCE

No matter what the stressor, Brown says most people want to enjoy their work and will be psychologically healthier, more motivated and productive if they do.

Psychologist and author of *Stand Out*, Alison Hill, says managers can help staff with their experience and reconnecting them to the two key drivers of change: *purpose and progress*.

For those overwhelmed by the job at hand, making sure leaders have appropriate training to help colleagues in need before a crisis occurs is smart business, Amell adds. **Remember that self-care is vital to mental health**, and implement initiatives that encourage or build on this.

CONSULT AN EXPERT

Many wellness experts offer services to workplaces to improve employees' physical and mental health, ranging from nutritionists to life strategists or corporate wellness coaches.

Extract from Helen Hawkes story in CPA In the Black Special Edition (October 2020)

2021 TAX RATES

These rates apply to payments made on/from 13 October 2020. Employers have been given to 16 November 2020 to adjust their processes.

Taxable income	Tax Rate + Medicare
\$0 – \$18,200	Nil
\$18,201 – \$45,000	19c for each \$1 over \$18,200
\$45,001 - \$120,000	\$5,092 plus 32.5c for each \$1 over \$45,000
\$120,001 – \$180,000	\$29,467 plus 37c for each \$1 over \$120,000
Over \$180,001	\$51,667 plus 45c for each \$1 over \$180,000

The above rates do **not** include the Medicare levy of 2%. A *tax relief estimator* is available at

<https://budget.gov.au/calculator/index.htm>

FINANCIAL PLANNING

We have an association with Mia Taylor and Kathryn Fitch-Daniels from Evalesco (part of the Australian Advice Network) whom can assist with all your financial planning needs.

They provide a more personal services and empower Clients not only in terms of wealth strategies, but are also mindful we also need healthy and happy lives.

Feel free to contact our office to arrange an initial appointment.

Mia Taylor

Personal Financial Adviser

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Sydney NSW 2000



FINANCE, MORTGAGES & LOANS

With current low levels of interest rates, now is a good time to refresh your mortgage and arrange a health check on all existing loans. Ensure you're saving with your loan by talking to our recommended broker!

No Fuss Home Loans strive to simplify the home loan process. They listen to your needs and offer sound and friendly advice. No Fuss Home Loans will provide you with a FREE report outlining relevant lenders and products to suit your situation. There is no obligation to commit and there are no fees payable by you for our service. Contact our office or Kathy direct.



M 0413 924 401 | Australian Credit Licence
T 02 8310 2199 No: 490262
F 02 9639 7537 ABN: 54 268 776 055

IMPORTANT UPCOMING DATES

- October 2020 IAS due 21 November
- September 2020 QTR BAS due 25 November if you lodge electronically
- Lodge and pay September 2020 QTR Superannuation guarantee charge statement if the employer did not pay enough contributions on time.

Quote of the month:

"No matter what happens in life, be good to people. Being good to people is a wonderful legacy to leave behind."

...my parents!!

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2020-21

Federal Budget at a glance

ECONOMIC OUTLOOK:

Budget **deficit**: \$213.7 billion

Unemployment rate: 7.25%

Decrease in real GDP: -1.5%

Increase in CPI: 1.75%

Net debt: 36.1% of GDP



SMALL BUSINESS:

Increasing **SBE threshold** to \$50m

Insolvency reform

Tax-free Victorian government business grants

INDIVIDUALS:

Bringing forward **tax cuts** by 2 years

CGT exemption for **granny flats**



BUSINESSES:

Temporary **full expensing** of capital assets

FBT exemptions for **retraining**

Reducing FBT **record keeping**

Temporary **loss carry-back**

JobMaker hiring credit

Apprenticeships **wage subsidy**

