



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



December 2020

WORK SMART, BE ADMIRER

Gaining the respect of your colleagues is crucial to professional success. There is no one-size-fits-all technique & requires effort as well as self-reflection. These tips will help.

- *Support your colleagues.* The fastest way to earn trust and respect is not to burn them in front of others
- *Speak up, Be you.* The ability to disagree with someone respectfully (even if they're more senior) is a great way to earn respect (corporate courage). Don't be fake and call out bad behaviour when it occurs
- *Manage accordingly.* Adapt your management approach depending on who you're working with. Be fair & honest without displaying judgement. Encourage empathy & be consistent.
- *Admit when you're wrong* and focus on the outcome for the organisation rather than being ego-driven.

Extract from CPA Magazine (November 2020), Story by Johanna Leggatt

NSW BUDGET: LAND TAX VS STAMP DUTY

- The NSW state budget increased the payroll tax threshold from \$1 million to \$1.2 million, the payroll tax rate cut from 5.45% to 4.85% and backdated to 1 July 2020 (which will remain for two years). It was also announced that businesses under the payroll tax threshold will receive \$1,500 digital vouchers to cover government fees.
- 15 hours of free preschool per week is to be extended to the end of 2021, and
- \$100 worth of "Out & About" vouchers will be distributed to every adult resident.

The state is also launching a public consultation on enabling home buyers to opt out of stamp duty and instead choose a smaller annual property tax. They are considering a once in a generation change of giving home buyers the choice to pay either stamp duty and land tax (where applicable) or a new smaller annual property tax.

An owner-occupier would have to pay \$500 per year + 0.3% of unimproved land value, while investors would be taxed \$1,500 annually + 1% of unimproved land value.

NSW Stamp Duty Compared to Land Tax of \$500 + 0.3% p.a.					
Starting Property Price	Starting Land Value	One-off Stamp Duty Cost	Years	Total Land Tax Paid (land value growth of 2.5% p.a.)	Difference
\$700,000	\$490,000	\$26,835	1	\$1,970	\$24,865
			5	\$10,227	\$16,608
			10	\$21,469	\$5,366
			15	\$33,860	-\$7,025
			20	\$47,551	-\$20,716
			30	\$79,537	-\$52,702
\$1,000,000	\$700,000	\$40,335	1	\$2,600	\$37,735
			5	\$13,538	\$26,797
			10	\$28,527	\$11,808
			15	\$45,157	-\$4,822
			20	\$63,644	-\$23,309
			30	\$107,196	-\$66,861

Source: www.canstar.com.au - 20/11/2020. Assumes property tax is charged on the property's unimproved land value, where the land value is assumed to be 70% of the purchase price. Land tax is assumed to be \$500 plus 0.3% of unimproved land value, charged per annum. Stamp duty is calculated based on current NSW thresholds, rates and concessions, effective from 1 July 2020. Property values over \$3,101,000 have premium transfer duty applied. Property price and land value is assumed to increase by 2.5% per annum. The analysis and outcomes are for illustrative purposes only.

The break-even point is 12 to 13 years for the average owner-occupier. If you're staying in the property longer than this, the annual land tax would end up costing you more! Interesting proposal yet to be debated, but certainly makes for an interesting debate.

LEGAL MATTERS – POWER OF ATTORNEY

A Power of Attorney is a legal document that gives a person, or trustee organisation, the legal authority to act for you to manage your assets and make financial and legal decisions on your behalf. If COVID-19 has taught us anything, it is to ensure that all your legal documentation (including wills, POA and insurances) are all current and up to date. It is a good idea to have a Power of Attorney in place in case something happens to you and you suffer from temporary or permanent loss of capacity. This could happen at any time because of illness, injury or disability.

If you do not have a Power of Attorney in place, a court or tribunal may appoint someone to manage your finances. This is imperative especially for sole traders and sole director operating companies.

Your Will sets out your wishes for distribution of your assets (amongst other things) after your death.

A Power of Attorney lets you appoint someone who can manage your financial affairs on your behalf while you are alive. It is therefore important that you have both an Enduring Power of Attorney and a Will.

Should you require legal advice, please feel free to contact our office where we can refer a local lawyer to assist with any queries you may have.



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. We are here to help, contact us today:

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PERSONAL PROPERTY SECURITIES REGISTER

The PPSR is the official government register of security interests in personal property – these are debts or other obligations that are secured by personal property. It's an online noticeboard accessible by the general public.

The PPSR started on 30 January 2012 and replaced many state-based registers, such as REVS and other vehicle registers and the ASIC Register of Company Charges, to form one national register.

When someone registers a security interest on the PPSR, they are letting the world at large know that they claim to have a security interest over certain personal property. Personal property includes things like cars, company assets, boats, used goods and intellectual property. It doesn't include land or fixtures.

People can search the PPSR to see if someone has registered a security interest over personal property (which they may want to do before buying property or lending money to someone).

A \$2 search will show you if the goods you want to buy are likely to be free from debt or other things that could put your money at risk.

<https://www.ppsr.gov.au/>

2021 TAX RATES

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%.

FINANCIAL PLANNING

We have a connection 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 or Aged Care related issues, but are also mindful we also need healthy and happy lives.

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



Mia Taylor
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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
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IMPORTANT UPCOMING DATES

- November 2020 IAS due 21 December
- December 2020 QTR BAS due 28 February 2021
- Lodge and pay December 2020 quarter Superannuation contributions by 28 January 2021

Quote of the month:

Don't let the past steal your present. This is the message of Christmas: We are never alone
– Taylor Caldwell



Capraro Consulting would like to take this opportunity to wish you a very Merry Christmas & a Prosperous, Healthy & Safe New Year.

Thank you for your support throughout 2020 and we look forward to continuing and strengthening our relationship in 2021.

The office will be closed from Friday 18th December 2020 and will re-open Monday 11th January 2021.

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