



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND



GREENTAYLOR
PARTNERS

2019 SEPTEMBER

Quarterly Newsletter

Green Taylor Partners



Snow on Mt William

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Rental home claims

Jess Sluggett

It's the 2019 tax return season, so if you are a rental property owner, now is a good time to look at some of the things your accountant needs to prepare your tax return.

Property Purchase

If you've purchased a property, provide your accountant with the contract and settlement documents as well as income, expenses and loan statements. The date when the property was first rented out is important too.

Loan Interest

It is best to provide your accountant with the loan statements relating to your rental property for the financial year. Providing just the interest amount might mean the wrong deduction is claimed in your return.

If you have drawn on the property's loan during the year make sure to provide details of what the drawdowns were for.

If they were for expenses relating to the property, or for improvements, generally the interest will be tax deductible.

If for personal use such as renovating a personal home, the tax deductibility of the loan might be affected.

Repair Or Renovation

If work has been done on your property, have a chat to your accountant to discuss whether the expenses are repairs or renovations, as these are treated differently for tax purposes.

Repairs and maintenance are basically restoring the property to the condition it was in when acquired, or work to prevent deterioration.

Repairs and maintenance are deductible when paid for. On the other hand, work is capital in nature when it improves the condition or value of an item.

This type of expenditure cannot be claimed upfront but is generally claimed over a few years.

Property Sale

Selling a rental property will generally result in a Capital Gain or a Capital Loss.

The Capital Gain or Loss is worked out using purchase and sale documents, as well as any period you lived in the property.

There are no special tax rates for Capital Gains.

Capital Gains are taxed at your 'marginal tax rate' which means the gain is added to your other income and the tax is worked out using the tax rate for your income.

If you make a capital loss because the cost is more than what the property was sold for, the loss can be offset against any capital gains made in that same tax year, otherwise must be held until a Capital Gain is made in the future.

Deduction Changes

There were a couple of pretty big changes made to what rental property owners could claim from 1 July 2017 including to travel and depreciation.

For more rental property tax tips, visit the Australian Tax Office 'Top 10 tips to help rental property owners avoid common mistakes'.



Meet Georgia Francis

Place of Birth? Horsham

Schooling? Primary - Holy Trinity Lutheran School.
Secondary – Horsham College.

Pets? 3 dogs: Angus, Coco & Diesel
2 cats: Squig & Lenny

Favourite TV Shows? Friends

Favourite Movie? All of the Harry Potter movies

Favourite Book? All of the Harry Potter books

First Car? Holden Astra

Favourite Travel Destination? Phuket, Thailand.

Who would you most like to meet? Why? Laura Geitz – she is my all-time favourite netballer

When did you join Green Taylor Partners? August 2018

What activities do you enjoy participating in on weekends? Netball, Tennis, Yabbying, Skiing – all things outdoors!

Are you involved in any Sporting, Social or Community clubs? Noradjuha Quantong Football Netball Club, Noradjuha Tennis Club



Motor Vehicles and Tax

Rohan Brown

The claiming of motor vehicles can be quite complex, especially where there is a mix of private and business usage with different issues for Tax and GST. What are the benefits and issues to be aware of?

Tax Purposes

If you operate in a Company or Trust structure the business claims all the expenses as business related, subject to a Depreciation limit for 'luxury' cars. If there is any private usage this is dealt with under the Fringe Benefits Tax system which requires a Log Book be maintained or the use of a Statutory Method which is an amount based of the cost value of the vehicle without regard to the actual running costs.

If you are an individual or a partner in a partnership your options are to claim a vehicle under one of two methods being the Cents per Kilometre or Log Book method.

Cents Per Kilometre is capped at 5,000 business/work kilometres per year, per taxpayer, per vehicle. It is an estimation method, however it is strongly suggested you keep some method of diary note or basis to justify the travel. The ATO publish the applicable rate for travel each year. For 2018/19 this amount was 68 cents/per kilometre.

Pro's	Con's
Simple method	Maximum of 5,000km to claim Must be owner of the car
No log book required	
No need to keep receipts	
No tax adjustment on disposal of vehicle	
Same rate regardless if a Luxury car	

The Log Book method is generally used where travel for business purposes exceeds 5000km. This requires a Log Book be maintained for a continuous 12 weeks and be representative of normal travel. The claim for the vehicle is then calculated as the vehicle expenses against the logbook percentage.

These expenses include:

- Registration & Insurance
- Repairs & Maintenance
- Fuel costs (either receipts based or average fuel cost and average economy)
- Depreciation
- Leasing Charges/Interest

Pro's	Con's
Maximises claim for high business usage	Must maintain logbook Must retain receipts Capped Depreciation cost limit When vehicle sold Profit/Loss adjustment done.

GST Claims

The GST claim on vehicles can vary depending on if you are a company, Trust or Partnership. Firstly, you must be in business and registered for GST to make a claim. This therefore excludes Salary and Wage earners.

For a Company or Trust the GST is claimed up to 1/11th of the Depreciation Cost Limit (2019-20 \$57,581). Any GST over this is not claimable.

WARNING: The Disadvantage of this is that if the vehicle is disposed of the GST is remitted on 1/11th of the sale amount, regardless if this is greater than the amount you were able to claim.

Eg. Buy a \$120,000 car. GST claim is \$5,234 (\$57,581 x 1/11)

Sell car 3 years later for \$90,000. GST Payable of \$8,181 (\$90,000 x 1/11)

In the case of a Sole Trader/Partnership, the GST can be claimed on either the log book percentage or based on the kilometres travelled up to 5000km based on a percentage published by the ATO. The percentage you claim is then used as the percentage of the sale of the asset.

During the period of ownership, the same Business Percentage is used to claim GST on the ownership costs such as Fuel, Repairs and other running costs.

If you need more clarification on the benefit or issues relating to operating a car through your business contact your Accountant.



Important Dates

- **21st September** – Lodge and pay August 2019 monthly business activity statement
- **21st October** – Lodge and pay September 2019 monthly business activity statement
- **28th October** – Lodge and pay quarter 1, 2019–20 activity statement
- **21st November** – Lodge and pay October 2019 monthly business activity statement



Portable Long Service Leave

Shane Bryan

New portable scheme for workers in the contract cleaning, security, and community services sectors.

Victoria's new Portable Long Service Scheme

Portable long service leave makes it fairer and easier for Victorians working in community services, contract cleaning and security to access long service benefits.

From 1 July 2019, Victorians working in contract cleaning, security and community services can start building up long service benefits as part of the Long Service Benefits Portability Act 2018. <https://bit.ly/2HwRxAR>

From 1 January 2020, additional community services roles will be included in the Scheme as detailed in the Long Service Benefits Portability Regulations 2019. <https://bit.ly/329nqYe>

Employer registration

From 1 July 2019, businesses who employ workers in roles covered by the Portable Long Service Scheme must Register as an Employer with the Portable Long Service Authority.

This can be done online at the Portable Long Service Leave Authority website. <http://plsa.vic.gov.au>

Worker registration

Workers will be registered by their Employers through Quarterly Return reporting which commences in October 2019. Workers will be sent a registration pack from the Authority with all of their membership details from November.

Quarterly returns

Employers must submit a Quarterly Return to the Authority, in October, January, April, and July each year. The first Quarterly Return will be submitted in October 2019.

The quarterly return will include information about:

- ❖ all workers who have worked for the business during that quarter
- ❖ the days they have worked during the quarter
- ❖ the pay they received during the quarter.
- ❖ The Quarterly Return calculates the contribution to be made by the employer and is based on each worker's ordinary pay multiplied by the levy for their industry.

The Governing Board of the Portable Long Service Benefits Authority has determined the Employer Levy as follows:

- ❖ 1.65% for community services
- ❖ 1.80% for contract cleaning
- ❖ 1.80% for security.

The employer contributions paid to the Authority for their workers are then invested by the Authority and will be used to pay workers when they make a claim for long service.

Assistance for employers and workers

The Authority will host a series of information sessions across Victoria throughout August, September and October, to provide detailed information about registration and reporting requirements.

For more information, please visit the <http://plsa.vic.gov.au> e-mail the authority with your enquiry or call 1800 517 158



Schedule appointments online

Making a time to see your trusted advisor here at Green Taylor Partners has never been easier.

By visiting greentaylor.com.au and going to our new schedule appointment page, simply select who you'd like to make an appointment with, choose what type of appointment you'd like to make and find the day & time that suits you best. It's that easy.

<https://greentaylor.com.au/schedule-appointment/>



GTP Birthdays

October

- ❖ 18th – Kayla Hawker
- ❖ 22nd – David Hadley
- ❖ 24th – Georgia Francis

November

- ❖ 16th – Natasha Gardner



JB Hi-Fi defies retail trends! Why?? Quite simply: Retail 101

Daniel Blay

When I was a teenager travelling home from school I would occasionally, well quite often, pop into JB Hi-Fi. My excuse would be breaking up the journey, having to catch a tram, train and then bus to get home. In reality I didn't need an excuse. I just wanted to check out the CD's at JB Hi-Fi.

What I liked most about JB Hi-Fi then was the staff would have excellent knowledge about products and were incredibly approachable. I was amazed at their knowledge about artists and albums. One thing that also stood out was the lay-out of the store. It was somewhat an orderly chaos and still would be considered to be like this today.

Recently JB Hi-Fi released their yearly results. Revenue has increased by 3.5 per cent to \$7.1 billion. The net profit after tax is \$249.8 million, which is up by 7.1 per cent. This is currently bucking the trends of a retail downturn in Australia. Retail is a tough industry, especially when you operate in the consumer electronics space. Look what happened to Dick Smith! So, how has JB Hi-Fi survived and continued to grow from when I was a teenager in the 1990's? Well, it's quite simply Retail 101!

JB Hi-Fi has always focused on its CULTURE, its team. Retail is notorious for its high staff turnover rates. It can also be a toxic and demoralising environment for workers as it's often heavily driven by sales. This can have a major impact on the team's attitude and performance.

What JB Hi-Fi has really done well is build a reputation that it's a good retailer to work for. Over the years, the company has garnered attention for allowing its team creative freedom to market its goods with tongue-in-cheek on store shelves and hilarious displays; it has become a bit of a tradition. "High level of customer service" and "passionate and knowledgeable team members" has always been a significant focus of its business model.

What JB Hi-Fi has also been able to do successfully is evolve its product range. The product mix has changed incredibly since I was looking at CD's to now, looking at appliances. In 2004 Music and Visual were the main product categories, today it is Large Appliances, Computers and Visual. Part of JB Hi-Fi's strategy is to be the first to market with new technologies. This has helped the retailer to evolve to meet the demands of the time.

Consumer loyalty is another main reason for continued success for the company. When combining the store environment, customer service and an evolving product-mix the consumer feels comfortable and thinks of the retailer first over others. This loyalty has been built over a generation now.

In a time when retailers are complaining about competing against online markets, JB Hi-Fi has continued to demand an instore experience that puts others to shame. Online sales for JB Hi-Fi is only 5% of turnover whereas for other major retailers the mix is generally over 8%.

In reality JB Hi-Fi just does the simple retail concepts really well. It's a great example of focusing on the customer experience by setting the expectations for customer service, developing a team with a high level of product knowledge and evolving its product mix to meet demand. From this you create consumer loyalty. There are definitely lessons here that other retailers can learn from.



Electronic filing is as easy as 1, 2, 3!

Georgia Francis

With the release of MYOB Essentials' new Capture App, you will be electronically storing and attaching receipts like a pro in no time! Previously, there has been many different ways to capture and store digital copies of paper invoices and receipts. Whether you have been emailing these documents directly to the In Tray, or taking a photo with your iPad and attaching the document right then and there, the new App makes the proof of purchase process as easy as 1, 2, 3!

For Apple device users, go to the App store and search 'MYOB Capture', and for Android device users, go to the Google Play store and search 'MYOB Capture App for Essentials'. Once the App has downloaded, you will need to log in using your MYOB credentials and select your business as the MYOB file to send the documents to.

Here is where the fun begins! Grab your stack of paper invoices and receipts and start snapping photos like you're an Instagram pro! Once you have captured the photo of your receipt, you can drag the corners to crop the photo to only show just the receipt dimensions, and not perhaps the 3 empty coffee cups in the background of the photo. Once you are happy with the preview of your document, you can click SEND and this will send the file directly to the In Tray in your MYOB Essentials file. Once the digital document is stored in your In Tray, you can then begin to start attaching these to their corresponding transactions in the Banking screen.

Say goodbye to shoeboxes of receipts, this is the way to hassle and mess-free bookkeeping!



Microsoft Excel Shortcuts

Emma Koschitzke

- **F4** key Repeats the last thing you just did. If you added 3 rows & want to add another 3, just press F4
- **F2** key Takes you to the formula typing bar without you having to use your mouse to click there
- **Ctrl + 9** Hide selected rows, Ctrl + Shift + (Unhide selected rows
- **Ctrl + 0** Hide selected columns Ctrl + Shift +) Unhide Selected columns
- **F12** Save As
- **Shift + F11** Open a new worksheet within your workbook
- **Ctrl + Tab** Move between Excel files if you have more than one open
- **Ctrl + Shift + =** This will bring up the 'insert' options window to insert, cells, rows or columns. OR if you highlight the number of rows you want inserted and where, then this short cut will automatically add in the rows
- **Shift + Enter** Move up through spreadsheet
- **Ctrl + arrow** To skip to the edge of the spreadsheet, in any direction
- **Alt + '='** This will automatically enter =SUM() in the cell you are in to save you typing
- **Shift + F10** Opens the right-click menu for the cell you are currently in
- **Ctrl + 5** Applies strikethrough to the text in cell or highlighted cells
- **'00** If you need to start a number with zero's, excel automatically takes them away. To keep them there simply add an asterisk before the zero's Eg. When you are typing in a BSB on the New Client Software Form
- **Alt + Enter** Gives you to start a new line within one cell, also allows you to use bullets within one cell. NOTE: if you are going to use the '-' bullet, you will need to add the asterisk before otherwise Excel will think you are trying to enter a SUM
- **Ctrl + Shift + L** Adds the filter dropdown box, it will also take it away if you press again
- **Alt + E + S + E** Paste Transpose (see below)
- **Alt + W + F** Freeze Planes
- **Alt + H + O + I** Autosize columns (see below)

- **Ctrl + ;** Adds current date to your cell
- **Ctrl + Shift + :** Adds current time to your cell
- **Ctrl + F** Find
- **Ctrl + H** Find & Replace
- **Shift + Space** Selects the entire row you are working in
- **Ctrl + Space** Selects the entire column you are working in
- **Ctrl + D** This will make an exact copy of the formulas in the cell above it. Useful for repeating cells or if you want a new cell with a slightly altered formula quickly
- **Ctrl + Shift + &** Add a border to selected cells

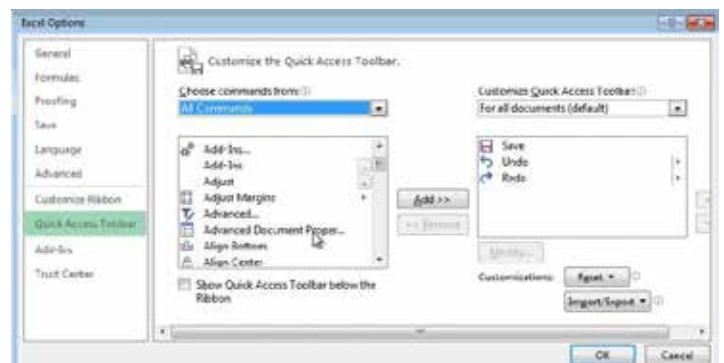
Extend Formula Across/ Down

Once you have a formula correct in one cell, you can copy the formula across or down a million times. The cross hair is handy, you can either drag the formula down or across OR you can double click the + cross hair and it will automatically take the formula all the way down. Copy and paste is also an option & in some cases this will be just as quick.

	A	B	C	D	E
1	65		40.6		
2	57				
3	19				
4	2				
5	10				

Create Short Cuts on the top Toolbar

Customise the top short cut toolbar at the top of your spreadsheet. FILE > OPTIONS > QUICK ACCESS TOOLBAR Move across the shortcuts that you would like on your Toolbar. You will already have save, undo, redo, add your other mostly used icons.

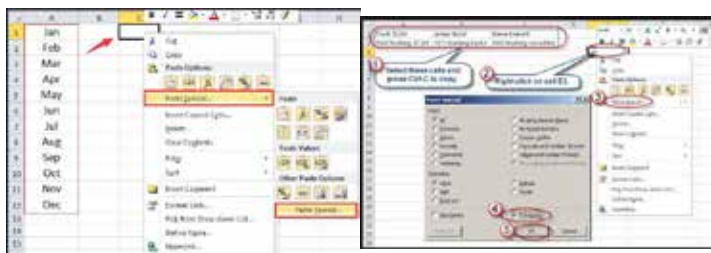


Paste Special

If you want to paste only a specific aspect of the copied data, eg. It's formatting or value, you would use one of the Paste Special options. After you've copied the data, press Ctrl + Alt + V or Alt + E + S to open the Paste Special dialog. You can also click HOME > PASTE > PASTE SPECIAL

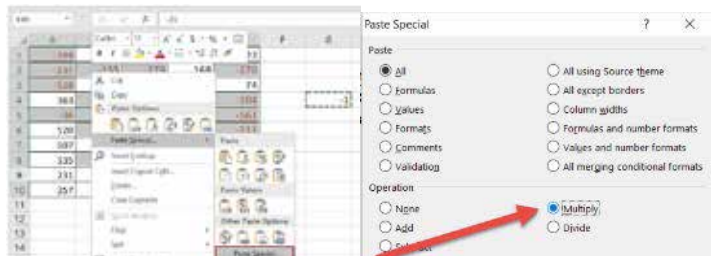
Paste Transpose (within Paste Special)

Copy a column and 'paste transpose' to make that same data show in a row HIGHLIGHT DATA > COPY DATA > CLICK IN THE CELL YOU WANT THE INFO TO BE PASTED > RIGHT CLICK > PASTE SPECIAL > TICK THE 'TRANSPOSE' BOX > CLICK OK Short Cut – Alt + E + S + E



Multiply/Divide (within Paste Special)

Within the Paste Special dialog you can also Multiply & Divide. Here is an example of how this can be used... Say you need to change selected numbers from a positive amount to a negative (or vice versa) Type -1 into a cell that is not in use, then highlight all cells in which you wish you change, right click and select Paste Special, then select multiply. This will divide all numbers selected by -1 and therefore change your positive amounts in to negative amounts. See below...



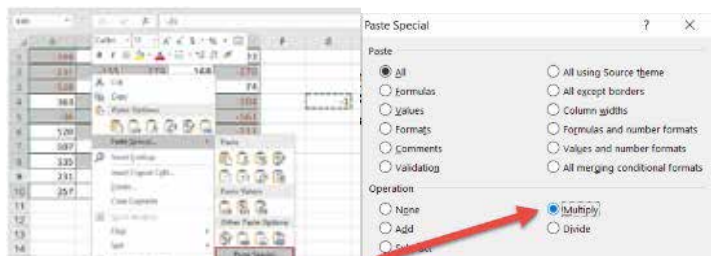
Printing Options

Use your printing scaling options to make sure your data prints out correctly. FILE > PRINT > SETTINGS >

- Print active sheets
- Margin sizes
- Print Entire workbook
- Print selection
- Scaling – Fit sheet on one page setting is a good one

Auto-size Columns

Instead of resizing each column and/or row separately in order to see all data entered, you can use the select all button (see below) and then double click just one of the column dividers & it will automatically re-size all columns so you can see all data.



OR Use short cut SELECT ALL (as above) > ALT + H + O + I

Partial year depreciation deductions can boost your cashflow

BMT Tax Depreciation

If you haven't owned your investment property for a full year you can still claim depreciation deductions this tax time. Investors can claim pro-rata depreciation deductions for the period their property is rented out or is genuinely available for rent. That is, the property is given broad exposure to potential tenants and considering all the circumstances tenants are reasonably likely to rent the property. Quantity surveyors use legislative tools like applying the immediate write-off rule and adding eligible assets to a low-value pool to make partial year claims more beneficial to new investment property owners.

An immediate write-off applies to any item within an investment property with a value of less than \$300, regardless of how long the property has been owned and rented. As an investor, you're entitled to write-off the full amount of the asset in the first year.

Low-value pooling is a method of depreciating plant and equipment assets which have a value of less than \$1,000. Any plant and equipment assets with a value of less than \$1,000 can be included in a low-value pool and written off at an accelerated rate to maximise deductions. Item can be depreciated at 18.75 per cent in the first year and 37.5 per cent each year thereafter.

Two types of depreciable assets can be allocated to a low-value pool:

- ❖ Low cost asset: a depreciable asset that has an opening value of less than \$1,000 in the year of acquisition
- ❖ Low value asset: a depreciable asset that has an opening value of greater than \$1,000 in the year of acquisition but the value after depreciating over time is now less than \$1,000. This will only apply if you've previously used the diminishing value method.

To ensure all depreciation deductions are claimed correctly for the period a property is income producing or available for rent, investors should request a tax depreciation schedule.

A BMT Tax Depreciation Schedule will outline all qualifying deductions from the date of settlement and include a partial year depreciation claim that is calculated pro-rata based on the time the property is rented.



GTP Anniversaries

- ❖ 18th September – Kerry Schultz (13 years)
- ❖ 3rd November – Daniel Blay (11 years)
- ❖ 22nd November – Shane Bryan (9 years)



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One screening in the big theatre!

THE TRUE STORY OF
MICHELLE PAYNE

RIDE LIKE A GIRL

2019 CLIENT MOVIE NIGHT

Wednesday 9th October 2019

Drinks, nibbles and a movie on us! A FREE evening to thank you for your support!

6:00PM

Meet at Horsham Town Hall Foyer (enter via Pynsent Street).
71 Pynsent Street, Horsham for pre movie drinks and nibbles.

6.20pm & 6.40pm

Enjoy a 15 minute guided tour "Print" of the Art Gallery. The tours will be conducted in 2 groups.

"As far as the eye can see presents the work of 22 Australian artists which celebrates the diversity and depth of current print-making practice. Each artist examines their individual relationship to the land through a variety of print media, describing both the vast scale and the intimate detail of our diverse natural environment and portraying Australia's unique and varied geography"

7.00 - 7.15pm

Finish at the Town Hall to make your way to the Horsham Cinema, Pynsent Street (next door to Green Taylor Partners office)

7:30PM (Movie)

As a little girl, Michelle Payne dreams of the impossible: winning the Melbourne Cup — horse-racing's toughest two-mile race. The youngest of 10 children, Michelle is raised by single father Paddy. She leaves school at 15 to become a jockey and after early failures she finds her feet, but a family tragedy, followed by her own near fatal horse fall all but ends the dream. But with the love of her dad and her brother Stevie, Michelle will not give up. Against all the medical advice, and the protests of her siblings, she rides on, and meets the Prince of Penzance. Together they overcome impossible odds for a shot at the dream: a ride in the 2015 Melbourne Cup, at odds of 100 to 1. The rest is history.



Movie Night RSVP

RSVP if you wish to attend by COB Wednesday 2nd October 2019

Online at <https://greentaylor.com.au/movie-night>

Yes, I _____ would love to attend

Yes, I _____ would love to attend

Phone: 03 5382 4761
Fax: 03 5382 1953

Email: advice@greentaylor.com.au
Postal: PO Box 637, Horsham, 3402, Victoria, Australia

