

TAX TIME 2020

KNOWING WHAT'S CHANGED

BY NANNETTE HOLLIDAY

Covid-19 has created unprecedented situations and a raft of changes that may affect your 2020 tax return.

With many people either out of work, facing job instability or working from home, and businesses tackling uncertainty, the only inevitability is that completing your tax return will be different this year.

We're all wanting help and answers. Accountants and tax professionals will provide insights and critical viewpoints, so you receive the most for your situation and don't get fined by the Australian Tax Office.

They've also been busy helping their clients with the JobKeeper process and how to reinvigorate businesses.

STIMULUS PAYMENTS

The Federal Government's JobKeeper wage subsidy and increased JobSeeker payment are both benefits and are taxable income. They must be reported like your normal salary.

You'll receive a payment summary of what you've been paid from Centrelink.

The lump-sum \$1080 tax offset is available again this year.

While all you have to do is lodge your tax return on time to receive it, not everyone will receive \$1080.

Worth between \$255 and \$1080, depending on your earnings, it's a tax offset for reducing your overall tax bill, meaning your refund will be bigger than normal or your tax bill will be less.

There's nothing for those earning over \$126,000.

WORKING FROM HOME

With more people working from home full-time for several months, there will be an increase in home office expenses this year.

To make deduction claims easier, the ATO has introduced three formats. Choose one and calculate your expenses from 1 March to 30 June.

1. The flat 80 cents per hour "shortcut" rate for all running expenses. All you need is a record of hours worked from home. Other people working and living in the same house can also claim. Plus, a dedicated workspace is not required to claim.
2. The existing fixed-rate deduction of 52 cents. You must keep a four-week diary record of work hours spent working from home. The portions of work-related items that can be claimed are:

- Home office equipment. You can claim up to \$300 or depreciation for items more than \$300. This covers computers, printers, telephones, internet and furniture.
- Power bills for lighting, air-conditioning and heating.
- Repairs to home office furniture and equipment.
- Cleaning for your work area in your home.
- Office and computer consumables, stationery etc. and work-related magazines.

3. Actual expenses. This includes the points listed in 2, but records must be kept showing the portion of your home used for work purposes and work times to determine the claim based on detailed analysis. This is the most demanding, and few people manage to maintain the meticulous details required.

Employees can also claim a flat \$50 per year for phone and internet without detailed records. If your costs are more than this you need to keep a four-week diary of all work calls to gauge the percentage of all calls made. The same process is used for internet usage and data downloads for work purposes.

We hate to be a spoilsport, but unless you have a dedicated "place of business" room at home, such as a hairdresser, you can't claim mortgage interest, rent, rates or land taxes especially if working from home is an interim measure like Covid-19.

Remember, you must have incurred the expense and not been reimbursed by your employer.

The ATO is also expecting a decrease in work-related clothing and vehicle use claims.

PAPERLESS GROUP CERTIFICATES

The other change this year is the disappearing group certificate or payment summary.

With organisations now reporting their workers' income, superannuation and tax information directly to the ATO, your details will be on file for your tax agent or you can find them in your MyGov account. **TQ**





FROM LEFT: SHAE WILKES, AVATAR SINGH, RENAN MALLARI, SALLY TRIGG AND TANYA KIRKER



DOING GOOD BUSINESS

PERSONALISED SERVICE

In good times and in bad, accessing sound financial planning and taxation advice is imperative to keeping your business and personal position in good stead.

Verve Group's expertise is unique – providing accounting, taxation and financial planning advice all under one roof.

“Covid-19 has created massive uncertainty and confusion for business and individuals,” says Tanya Kirker, Verve Group Director. “Our strong communication and personal assistance for clients has been key.”

Despite not being able to meet face-to-face with their clients, the professional Verve Group team maintained a close level of communication.

“Rather than just sending emailed information, we rang each client. That’s how we do things. We take a personal approach, and their feedback is that they appreciate having that open line of communication.”

After listening to their clients’ concerns and struggles, Verve Group created

a series of video updates to help individuals and businesses break down the information coming from Territory and Federal levels.

“It was rewarding to see just how much our clients valued this advice and information.”

Along with long-term Territorian Marc Loader, New Zealand-born Tanya has been providing Central Australians with professional accounting and tax advice since 2000.

In 2008, they merged with an Adelaide financial planner, Matthew Carberry, becoming Verve Group. Marc now lives and works out of their Adelaide office.

The team of six in Alice Springs and 10 in Adelaide keep their finger on the pulse and provide quality advice for each client’s circumstances, guiding their Australia-wide client base to achieve their personal finance and business goals.

Verve Group offers quality services, including business advisory, financial planning, tax and accounting, with an emphasis on creating financial freedom.

Their client base is predominantly small business operators across

all sectors, including construction, tourism, hospitality, retail, primary production, including cattle and wine and manufacturing.

“Covid-19 has been a tough journey for many. Some have reopened, some are restructuring. Finding balance has been the hardest,” says Tanya.

“Through partnering with our clients, we deliver innovative, straightforward and practical solutions.

“Our cutting-edge approach to building wealth creates financial freedom for our clients so they can do what they want, when they want, with who they want.” **TQ**

CONTACT

Verve Group

📍 2/73 Hartley Street Alice Springs NT 0870

☎ 08 8120 4877

@ contact@vervegroup.com.au

🌐 vervegroup.com.au

FerosWee Accountants have been providing Territory businesses friendly, personable, professional services, accessible accounting and business consultancy for more than 30 years.

“We’ve made it our business to make their businesses successful,” says principal and finance consultant Andrew Wee.

Andrew, who arrived in Darwin from Singapore in the mid-60s, has always had the best interests, promotion and advancement of the Territory and businesses in mind.

“I’ve worked in public service, marketing, logistics, commerce, building and construction industries,” he says. “My connections and understanding of each operation have created a successful platform for us at FerosWee.

“Promoting business efficiency was also a mainstay. Today, I still guide our team in professionalism, procedural standards and work quality. Commitment to excellence is key for our business.”

Situated in Darwin’s CBD, FerosWee has remained a small family operation with son Jarrod becoming

the managing director in 2009 and daughter Melissa overseeing business development and administration.

Jarrold, who was born and raised in Darwin, also followed in his father’s footsteps by working for several years in the construction industry before returning to accountancy.

“After 15 years of professional practice, Jarrold became the managing director,” Andrew says.

The professional team of 12 at FerosWee are renowned for their one-on-one client relationships and exceptional service.

“We work alongside our clients providing timely, accurate advice and solutions when it’s needed,” says Jarrold.

“While we’ve remained small and personable, our clients include some of the biggest in the Territory – some whose turnovers exceed \$100 million.”

With Andrew and Jarrold’s combined first-hand knowledge of the construction industry, it’s no surprise many clients stem from the construction and civil works industries.

“With the downturn in the Territory’s construction industry over the past few years we’ve had to work even closer with our clients and find stable diversifications for them,” Jarrold says.

“Now with Covid-19, we’re helping our clients with reliable, customised, good advice, plus using our external business networks and legal experts.”

The FerosWee team are flexible and adaptable. They offer a range of expertise and experience in public accountancy, taxation, compliance, superannuation, cash-flow advice, business development and wealth creation.

They are committed to ensuring their diverse range of clients reaches their financial goals, whatever their stage in business. The team use their expertise to help clients to succeed.

“Anyone can do business, but not everyone can do good business. We help and guide our clients, so even when times are tough, they can survive,” Jarrold says. **TQ**

CONTACT

FerosWee Accountants

📍 Suite 1/84 Woods Street Darwin NT 0800

☎ 08 8981 9777

@ reception@feroswee.com.au

🌐 feroswee.com



PART OF THE CLARITY TEAM ... (FROM LEFT) JANET CURTIS, CLAIRE YOUNG, BROOKE KLARENBECK, KIM COLE AND CARMEN CUELLAR

COMMUNITY THE CLEAR WINNERS

PHOTOS: CHLOE ERLICH

Home is where the heart is – and Alice Springs stole Claire Young’s heart back in 2000.

After visiting her brother for two weeks over Christmas, she returned to a job on the Gold Coast and promptly asked for three months leave – and never returned.

“I loved the people, the sense of community, the vibrant Outback landscape and the uniqueness of Alice Springs,” she says.

Claire worked with Deloitte for 18 months before moving to Perth.

“While I gained invaluable experience

in Perth, I missed Alice Springs and returned home.”

Even though Claire was born in Launceston, Tasmania, she now considered Alice home.

She secured a four-month accountancy/bookkeeping contract at Kalkaringi.

“It was a great opportunity, working in such a historically significant remote location and part of Australia’s history.”

Knowing she could offer more to the community and surrounding regions, in January 2010 at 31, Claire set up her own accountancy, bookkeeping and taxation firm, ClarityNT in Alice Springs.

The business now has 10 vibrant, professionally qualified staff. One works remotely in Darwin and two in South Australia, because of their home situations.

“Our cloud technology easily allows us to all work together and with our remote clients and communities across the Territory, South Australia and Western Australia, no matter where they or we are.”

If there’s been a positive from Covid-19, it has shown that technology does play a prominent part in successful virtual working, and something ClarityNT has been doing across the Territory for years.



CLAIRE YOUNG AT WORK ... FACE-TO-FACE MEETINGS ARE STILL IMPORTANT

CLOUD-BASED REPORTING AND ANALYTICS HAVE BEEN ENORMOUSLY ADVANTAGEOUS FOR OUR REMOTE AND NOT-FOR-PROFIT CLIENTS

They have honed their expertise in the accountancy digital world and cloud technology.

“Already having the technology in place ensured an easy transition to work from home during Covid-19.

“Cloud-based reporting and analytics have been enormously advantageous for our remote and not-for-profit clients. It instantly allows us to see what’s happening in their organisation. We can then provide timely, high-quality advice and long-term planning, plus efficient and effective solutions.

“We assist our clients with training, support, set-up, conversion, reviews and health checks. However, face-to-face meetings are still important. Wherever our clients are, whether it’s Darwin or Uluru, we value good communications and relationships.”

ClarityNT provides custom accounting, bookkeeping and business service solutions to a range of sole traders, small and medium businesses, Aboriginal corporations and not-

for-profit organisations from Alice Springs to Darwin, regional and remote locations across the Territory, Kimberley, Pilbara and Anangu Pitjantjatjara Yankunytjatjara Lands of South Australia.

“The core of our business now is not-for-profit clients and Aboriginal organisations. We’ve become experts in this area.

“Our accountants not only provide a wealth of expert knowledge, but they also have a passion for numbers and a personality. Client relationships are our top priority.” **TQ**

CONTACT

Clarity NT

📍 1/70 Elder Street, Alice Springs NT 0870

☎ 08 8953 4440

@ admin@claritynt.com.au

🌐 claritynt.com.au

TRUSTED PROFESSIONALS

Northern Accountants owner Kash Sagar realises that “doing the books” is not easy for business people.

“Business owners are good at what they do - that’s why they established their business,” he says.

“But maintaining the necessary records required by the government, taxation, and even banks is no simple affair. It’s complex, time-consuming and often confusing.”

He says a “trusted, professional accounting firm” will look after these details so business owners can focus on what they are good at.

India-born Kash gained a degree in accounting and finance from Deakin University in Melbourne before moving to Darwin in 2010.

After working for local accounting firms, he opened Northern Accountants at Casuarina - and hasn’t looked back.

“I love Darwin, the community, the friendliness of the people and the lifestyle. Deciding to settle here and also open my own business was easy. I enjoy helping other people and ensuring their business is successful.”

Northern Accountants ensure that each client’s financial records are accurate, and are compliant with tax regulations and any bank or government requirements.

“We provide insight into a business’s performance and peace of mind that their finances are in safe and skilled hands so they can focus on running their business.”

With more than 20 years of combined experience, the team are passionate about providing the highest accounting, bookkeeping and taxation services, helping business owners to prosper and grow by making the best decisions for their financial future.

“While every business is unique, so are their tax obligations,” says Kash.

“Choosing the right business structure has a huge impact on tax effectiveness for the business. We listen to our clients and consider a wide range of factors, from business type, goals, turnover, markets, protection, tax efficiency and more, to ensure the best structure is created.”

Northern Accountants also provide complete tax planning services.

“Through correct planning and income estimates, expenses, tax offset, what’s payable or any refund, ensures maximisation of a business’s return while ensuring compliance with Australia taxation laws.”

Kash and the team, who are accredited with the National Tax and Accountants Association and Institute of Public Accountants, strive to exceed their clients’ expectations by delivering value services, timely support, financial efficiency and growth.

“We are local and pride ourselves on being professional, friendly, reliable and efficient business accountants, bookkeepers and certified tax accountants.”

“We are part of the Darwin community and also proudly support many local sporting and not-for-profit organisations.”

Northern Accountants opened their newest shopfront office in Casuarina Square in June. **TQ**

CONTACT

Northern Accountants
Casuarina Village

📍 2/293B Trower Road, Casuarina, Darwin NT 0810

☎ 08 8941 3900

@ reception@northernaccountants.com.au

🌐 northernaccountants.com.au

Casuarina Square

📍 247 Trower Road, Casuarina, Darwin NT 0810

☎ 08 8941 2530

@ cas.reception@northernaccountants.com.au

🌐 northernaccountants.com.au

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The Northern Territory heads to the polls August 22nd, hear what all the candidates have to say as they talk to Katie Woolf on 360



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