

The latest news, views, and announcements

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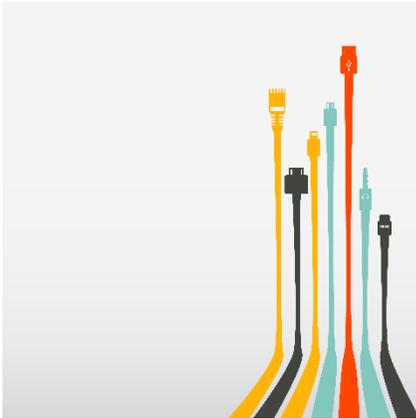
Online applications for early release of super close on the 11th of December



Economic update

The RBA's November meeting echoed that they are "prepared to do more [easing] if necessary" and highlighted that the change in policy focus. Changes are directly attributable to "the challenge facing Australia over the next few years is much more likely to be the creation of jobs, rather than controlling inflation".

Australian payroll figures show a recovery of 0.5% in the last 2 weeks. By State, Victoria's re-opening propelled the increase; while for the rest of Australia crept up (+0.3%, after -0.3%, but only -2.0% since March 14). **Wages were flat in the last fortnight, after -1.7%. Victoria rebounded (0.9%, -4.8% since March 14), but the rest of Australia retraced.** Overall, since late September, weakness in payrolls, and particularly wages (-4%), reflects the reduction of JobKeeper balancing the boost from Victoria's re-opening.



NSW: Proposed Property Tax

On 17 November 2020, as included in the NSW Budget, the Treasurer announced a plan to introduce a new property tax system that would give taxpayers a choice between paying stamp duty at the time of purchase, or an annual property tax charge instead.

This is anticipated to be a very similar to paying council rates/levies or land tax. The proposed “property tax”, like land tax will also use a similar valuation method adopting the unimproved value of land (where the value is continually reassessed).

It is important to note that, once a buyer elects to enter the “property tax” system, the property will effectively forever remain within the property tax system. This will have a permanent impact and removes any choice for a future purchaser. Under this system properties will either have stamp duty or property tax attached.

Under the proposal there will be a maximum price threshold to differentiate the property tax system and stamp duty system for commercial property, and high value properties, which is very similar to the current land tax system. This means that transfers above the initial maximum price threshold will still be subject to paying stamp duty. However, the NSW treasury confirmed that up to 80% of properties should be eligible.

In some cases, remaining within the stamp duty/land tax regime may have benefits for taxpayers, despite the upfront cost. Further, the land tax exemptions like the principal place of residence and primary production exemptions can still apply to the property. This should all be considered before making any decision to opt in/out.

Public consultation is open until 15 March 2021.

JobKeeper 2.0

The rate of JobKeeper has fallen more quickly than expected, and so has the rate of the Jobseeker uptake. The slower uptake of both payments in December suggests that workers and employers are staying “afloat”, rather than moving to the government benefits. Currently it looks like approximately 1.7 million people will qualify for the December quarter, hopefully reducing the burden of the looming March 2021 fiscal cliff.

Overseas Arrivals and Departures, Australia

Overseas visitors arriving to Australian has sharply increased for the month of November, increasing 22.6% since the previous month to 3,720 trips. Australian residents returning from overseas has also increased a further 1.1% since the previous month representing approx. 8,720 trips.

COVID-19 early release of super

If you have been adversely financially affected by COVID-19, you may be able to access some of your superannuation early (up to \$10,000).

Online applications for early release of super close on the 11th of December 2020 with the last payments being made before 31 December.

You will not need to pay tax on amounts released and will not need to include these amounts in your tax return. Please note there are strict eligibility criteria that need to be met before you can apply. You will also need a myGov account linked to the ATO.

Changes to Xero Pricing

Changes in Xero's pricing that were originally meant to take place in March 2020 this year, are now scheduled to take place from 1 March 2021. From 1 March 2021, the price of Xero Starter, Standard and Premium plans will increase by \$2 a month in Australia. If you use Xero Cashbook, Xero Ledger or Payroll Only, there is no increase.



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