

# News

December 2019 - February 2020

— Trafalgar Square, London - Christmas



/RJCEvansandCo

## THE Christmas Experience

**“We’re having the most extraordinary Christmas Day imaginable. A sort of unarranged and quite unauthorised, but perfectly understood and scrumptiously observed truce exists between us and our friends in front....**

Soon after dusk, the Germans started shouting, “Merry Christmas Englishmen” to us. Of course, our fellows shouted back and presently large numbers of both sides had left their trenches, unarmed and met in the debatable, shot-riddled, no man’s land between the lines.

The men were all fraternizing in the middle.... and swapped cigarettes and lies in the upmost good fellowship”. (Source: Captain Robert Patrick Miles)

During the Christmas Truce of 1914, British and German troops ventured into no-man’s land to mingle in the spirit of Christmas and exchanged souvenirs. There was even carol singing. Silent Night bonded both groups in the spirit of Christmas.

This carol too grew out of difficult times. On Christmas Eve in 1818, Curate Joseph Mohr asked his friend, Franz Gruber, for help to put a poem he had written to music for that evening’s midnight Mass.

After the “endless Winter”, his parish needed a pick-me-up. A cause for hope.

Gruber, dashed off the melody by midnight. It was then performed by a choir accompanied by guitar as, after a year of everything going wrong, even the church organ was broken.

In a rundown church, after a year of no Summer, little food and even less hope, Silent Night was first performed and in doing so, reminded the villagers of the comfort of Christmas.

It has since been translated into 340 languages and placed on the UNESCO list of the world’s Intangible Cultural Heritage.

One Christmas tradition on the world stage today is the giant Norwegian spruce, which has been a gift to London from the people of Norway, since 1947. It is a present to say, “Thank You”, for the help that the people of the United Kingdom gave to Norway during World War II.



The Christmas tree is typically a fifty to sixty year old specimen, generally over 20m tall. It is decorated in traditional Norwegian style and stands in Trafalgar Square during the festive season.

This annual gift has come to symbolize the deep and long-lasting friendship between Norway and the United Kingdom.

These stories show that even in historically difficult times, the spirit of Christmas has been a source of hope and goodwill for people.

2019 has been an extremely difficult year, on the back of previous hard years, particularly for those working on the land. Many parts of our country are enduring the worst drought in 50 years and ravaging bushfires seemingly without end.

So, during the season of Christmas, let us be especially mindful of those near and far, who need our acts of kindness; who need our support and care. Let us reach out to others in the true spirit of Christmas.

Merry Christmas.

Andrew Evans

# General

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## Office Hours for Christmas Period

Our office will be closed from

**12:30PM ON FRIDAY THE 20TH DECEMBER 2019**

We will have skeleton staff working on Monday 23rd & Tuesday 24th December and the same on Thursday 2nd & Friday 3rd January 2020.

The office will then reopen with full staff on

**MONDAY THE 6TH OF JANUARY 2020.**



Image Source: ABC News

## MV Minnipa

**Jack Evans (the founder of RJC Evans & Co) set the precedent for country travel in the early days of RJC Evans & Co.**

These journeys took him to the West Coast. Travel was from Port Adelaide to Port Lincoln on the Coastal Vessel Minnipa.

The Adelaide Steamship Company owned this vessel. She brought the vital goods that a thriving Port and a growing hinterland needed. She also brought the people to the West Coast, looking for a new life.

Her maiden voyage was in 1927. The MV Minnipa was for many years, the lifeline for the Eyre Peninsula. Completing over 3,300 round trips and carrying 525,000 passengers in her lifetime, the Minnipa left Port Lincoln for the last time on 29 June 1960.

In 1963, the Minnipa was broken up for scrap metal, in Hong Kong.

Today, we continue to visit the Eyre Peninsula, but by either plane or car. The mode of travel may have changed, but the service by the firm to the Peninsula, has been continuous for nearly 100 years.

# Federal Government Mortgage Guarantee Scheme



This will operate on a “first-in, best-dressed” basis.

A Federal Government Scheme to allow first home buyers to purchase a property with a deposit as little as 5%, will operate on a “first-in, best-dressed” basis.

At the time of writing this article, the Government has unveiled the details of the scheme, but as yet, it has not been legislated.

The scheme aims at helping up to 10,000 first home buyers on low and middle incomes enter the market each year, from January 2020.

The Government will offer loan guarantees based on price thresholds for capital cities and large regional centres with populations over 250,000, throughout Australia. The scheme's property price caps are detailed below:

State/Territory	Capital City & Regional Centres	Rest of State
VIC	\$600,000	\$375,000
QLD	\$475,000	\$400,000
WA	\$400,000	\$300,000
SA	\$400,000	\$250,000
TAS	\$400,000	\$300,000
ACT	\$500,000	-
NT	\$375,000	-

There is no specific number of guarantees per jurisdiction, it will be on a “first-in, best-dressed” basis. The scheme is limited to 10,000 guarantees a year.

The program will be open to singles with a taxable income up to \$125,000 per year, and couples earning less than \$200,000 per year.

It will apply to owner-occupied loans on a principal and interest basis.

## Regional Investment Corporation – Farm Business Loans



In previous issues of our newsletter, information has been provided in relation to the Regional Investment Corporation's (RIC) farm business loans. Recently, there have been significant changes to the loans provided by the RIC.

### Drought Loan

The terms of the Drought Loan will be enhanced to offer 10 year loans with two years interest free, three years interest only and five years principal and interest. These loans are for amounts of up to \$2 million.

The loans are available for farmers to feed, water, freight, restock, refinance, or anything that might keep their operation going.

### Small Business Drought Loan

Small Business Drought Loans (SBDLs) provide for amounts of up to \$500,000. As with the Drought Loan, the first two years will be interest free and no repayment, followed by three years interest only and then five years principal and interest.

Eligible small businesses are those that directly provide primary production related goods and services to farm businesses in the most drought affected communities. The loan can be used to provide working capital required to help manage their business through this drought.

Examples could include: harvesting and fencing contractors, carriers, stock and station agents, and businesses dealing in agricultural equipment and repairs.

Businesses not directly linked to the farming sector such as the local hairdresser or café, would not be eligible.

# General

## Leaving Australia with Student Debt

The deadline to report, for the Australian income year, is 31 October.

**If you plan to live and work overseas and have a study or training support loan, you are required to:**

1. Update your contract details and submit an overseas travel notification within seven days of leaving Australia. This is if you have an intention to (or already do) reside overseas for 183 days or more in any twelve months.
2. Lodge a worldwide income or a non-lodgement advice. This applies to people with the following types of loans:

1) Higher Education Loan Programs (HELP – formally known as HECS)

2) VET Student Loans (VSL)

3) Trade Support Loans (TSL)

Worldwide income can be reported to the ATO via accessing ATO Online Services through MyGov or through our office.

The deadline to report, for the Australian income year, is 31 October. However, if you use an Australian registered tax agent to lodge on your behalf, you can lodge within the agents program generally by 15 May.

After you have reported your worldwide income, you will receive a notice confirming:

- How much you owe
- The due date for payment

## Business Name Renewal Notices



**A number of clients have advised they have received correspondence from a certain company relating to a Business Name Renewal, associated with themselves or a personal entity.**

This company is an alternative to that of ASIC. They forward correspondence to clients well-ahead of the renewal date and prior to any correspondence which ASIC sends out. We also note that the fee charged by this company is significantly more than that of ASIC's fee.

At times when we have been made aware of this correspondence by clients, we have advised them to ignore it and await the official ASIC Renewal Notice. In most cases, our office is the registered ASIC Agent and therefore this correspondence should be sent to us to respond, on behalf of the client.

As part of the formal ASIC Renewal process, our office should receive the notice and attend to it on your behalf. Once it has been renewed by us, we will forward associated ASIC correspondence to you (such as an invoice, registration certificate, etc) to finalise the renewal.

In some other cases where a client has set up a business name themselves and they have provided personal details such as email or postal address, ASIC correspondence will be sent direct to them.

Therefore, if an individual or entity which owns a business name, receives Renewal correspondence from a company other than ASIC, they should advise our office. We will confirm the correspondence and advise of the required action regarding it.

Should you have any further queries regarding this, please contact our office.



# Fast Cash Loans at Your Fingertips – Buyer Beware!

With all the push and pull of the Christmas rush, it is truly a season of modest spirit and humble aspirations. There is no need to stretch your finances to purchase the perfect present.

Christmas is about giving. However, no one expects someone to give on credit.

An example of these type of loans are those provided by a company called Nimble. Nimble provides short-term fast cash loans. It is times like Christmas, when cashflow can be tight, that people consider a Nimble loan.

The following information, obtained from the Nimble website, demonstrates how expensive such loans can be. This is just another example of where “the devil is in the detail”.

## 1 Small Cash Loans (\$300-\$2,000)

Principal amount borrowed

PLUS Establishment Fee of 20% of the principal amount borrowed

PLUS **Monthly** Loan Rate of 4% of the principal amount borrowed

Loan term can range from 62 days to 9 months

*Example:*

\$1,000 principal + \$200 fee + \$40 interest per month (= \$120 total)

(loan over a 3 month period)

**Total amount repaid = \$1,320**

## 2 Medium Cash Loans (\$2,050-\$5,000)

Principal amount borrowed

PLUS Establishment Fee of \$400

PLUS **Annual** Loan Rate of 47.62% of the principal amount borrowed

Loan term can range from 62 days to 22 months

*Example:*

\$3,000 principal + \$400 fee + \$119 interest per month (\$1,428 total)

(loan over a 12 month period)

**Total amount repaid = \$4,828**

## 3 Personal Loans (\$5,000-\$25,000)

Principal amount borrowed

PLUS Establishment Fee of \$195 (for loans \$5,000-\$10,000) OR a Fee of \$250 (for loans \$10,001-\$25,000)

PLUS Annual Loan Rate of 8.99-29.99% of the principal amount borrowed

Loan term can range from 6-48 months

*Example:*

\$10,000 principal + \$195 fee + \$75 interest per month (being 8.99% pa) (\$1,798 total)

(loan over a 24 month period)

**Total amount repaid = \$11,993**

### *Our advice:*

*Don't get tempted by the fast and easily obtained loans. Don't let debts get the better of you!*

**Christmas is about giving. However, no one expects someone to give on credit.**

# Christmas News

## Will Fringe Benefits Tax Apply to Your Office Christmas Party?

### With 2019 drawing to a close, thoughts turn to the end of year Christmas Party.

While this is a fantastic opportunity for employers to celebrate the end of year with team members, employers should be aware of the tax consequences of hosting Christmas Parties for their staff. This is a complex area which often causes confusion

The Fringe Benefits Tax (FBT), Goods and Services Tax (GST) and the income tax consequences have been summarised in the schedule below.

Please do not hesitate to contact our office for any further clarification.

Event	FBT?	Deduction	Claim GST?
Gift for Employee <\$300	No	Yes	Yes
Gift for Employee >\$300	Yes	Yes	Yes
Party on Premises - Employee	No - regardless of cost	No	No
Party on Premises - Spouse	Only if benefit exceeds \$300	Only if benefit exceeds \$300	Only if benefit exceeds \$300
Party off Premises - Employee	Only if benefit exceeds \$300	Only if benefit exceeds \$300	Only if benefit exceeds \$300
Party off Premises - Spouse	Only if benefit exceeds \$300	Only if benefit exceeds \$300	Only if benefit exceeds \$300

As can be seen from the chart above, if you want to keep it simple, have the Christmas party in the office, staff only. Costs including serving food and drink, at a Christmas party in the office are exempt from FBT. It must also happen on a work day. The FBT exemption applies, regardless of the costs.

If you invite an employee's partner or other family along, FBT is payable on their costs, unless the minor benefits FBT exemption applies. Minor benefits are free from FBT if they have a value of less than \$300 per person and meet certain other conditions.

### What About Gifts? - The hamper, bottles of wine or the gift voucher

These will be free from FBT if the value is less than \$300

If an employer gives a present at the staff Christmas party, both the meal and the gift will be free from FBT as minor benefits, even if together they cost more than \$300. If the value of each is less than \$300, and the other relevant conditions are met.

### Is Any of this Tax Deductible?

The general rule is the employer can get a tax deduction for providing a Christmas party, to the extent that it is subject to FBT. Costs that are not subject to FBT are not tax deductible. That includes the costs for which the employer can get a minor benefit exemption.

The exception to this rule is the provision of a gift to an employee, of less than \$300 (GST inclusive) and provided infrequently. This is an exempt minor tax-deductible benefit.



# Saving at Christmas!



The countdown to Christmas seems an unlikely time to suggest ways to save. Why wait for the New Year to make financial resolutions?

## 1 Keep track of your spending

ASIC's Track My Spend app, is available to help track your household budget or savings for a special occasion, such as a wedding or travel.

You can also set budget limits for various categories and separate wants and needs to identify extra ways to save.

The app allows you to nominate and track your progress against weekly, fortnightly, monthly or annual spending limits.

## 2 Sort Your Superannuation

Not only should you be aware of what superannuation accounts you have, but how much you contribute, where your funds are invested, what fees you pay and what insurance each account provides.

Once you know where your funds are and how much you have, you can take stock of each portfolio and make any adjustments.

## 3 Track Down Any Lost Superannuation Accounts

You can use your MyGov account via the ATO to locate any lost superannuation.

## 4 Food Shopping

Make a list before you hit the grocery aisles to purchase your shopping essentials.

Make sure you include lunch items for the working week. Making your lunch can easily save you \$50 per week (more if you also buy a drink) or \$2,400p.a. (deducting 4 weeks' holidays).

Review whether you need to purchase a daily takeaway coffee, at \$4.50 a coffee, this equates to \$22.50 per week. This adds up over a year. In the first instance, perhaps the daily coffee could be reduced to only a few times per week, before perhaps limiting it to weekends only.

## Holiday Homes – Revisited

With the Christmas holiday period upon us, it is timely to revisit the rules concerning holiday homes.

Popular Airbnb rentals and holiday houses could deliver a nasty tax surprise to unwary, careless or deceitful property owners, who supply inaccurate information to the ATO.

Common mistakes identified by the ATO made by owners of holiday homes include:

- ▷ Attempting to claim deductions for longer periods than the place was rented; or
- ▷ Offering “mate’s rates” – discounted prices or preferential terms offered to friends, rather than on a commercial basis.

Another significant issue is around claiming deductions for periods the property was not available to rent on the open market.

During the Christmas period, people use their holiday homes for their own use. They often also let friends and family use them for no rent or reduced rent.

Deductions are not able to be claimed for those periods of personal use or non-commercial use.

Holiday homeowners, can claim a deduction for related expenses for the period a property is rented or available for rent.

Management and maintenance costs, which included interest on loans, are pro-rated for these periods.

Airbnb hosts are treated the same as anyone else who rents a property. Income must be reported in an income tax return.

Common mistakes for Airbnb relate to:

- ▷ Failing to properly apportion expenses for the rented part of the property. Expenses can only be claimed which

relate to the part of the property that is rented – or a part claim for common areas, such as the kitchen or lounge;

- ▷ Deductions can also be claimed for the period the room is available for rent;
- ▷ Expenses incurred in operating the Airbnb can be claimed. This can include a portion of council rates, insurance, interest on a loan for the property and any fees or commissions that might be charged by property managers, real estate agents involved in letting.

It should be noted by Airbnb landlords that, if you rent out part of your main residence, you will lose part of the main residence capital gains tax exemption, in relation to the part of the property which is rented out.

While this does not produce an immediate tax bill, it may come as a shock when owners ultimately sell the property.

# Thank You

## Thank you, is a simple expression that we don't hear enough..

As a firm, we would like to take a moment to say, thank you, for all your support. No business today, is able to stand alone without the valued support of our clients and staff.

We at RJC Evans & Co, thank you all for continued support. We have maintained strong family traditions over many years with the relationships we have enjoyed with clients.

One important event is occurring in January 2020. On 20 January 2020, Paul Anson will celebrate 50 years working with the firm. By any form of measurement, this is an amazing achievement.

With Paul's 50th Anniversary approaching, I asked him to share some of his reflections about 50 years with the firm. The following were some of Paul's memories.

"When I first started here, the 117 Greenhill Road Building, had not been built. It was a vacant block of land. In 116 Greenhill Road, everyone sat downstairs because they were still putting the partitions in upstairs.

In those days of course, there was no air-conditioning and the order of the day was shorts and long socks in the Summer, and in Winter we had plug in heaters. We also had foot warmers we used to plug in.

I think the thing that really stands out to me in the 50 years, is the unbelievable improvement in technology. Many of the jobs undertaken at that time, involved manual calculations and processes. These have now all been replaced by technology.

In summary, let me say that it has been a great place to work and I thank all of you who have supported me over these years".

*Congratulations on this career milestone Thank you for your commitment to clients and the firm.*

# Making a Difference

## Imagine an empty beach at dawn. You wander along the coastline.

Strangely, the beach is covered in thousands of starfish and each crashing wave, washing dozens more on to the shore. Then, you notice a figure in the distance that seems to be dancing.

As you approach, you realise that the figure is in fact a young boy, and he is not dancing, but gently throwing something into the ocean.

"What are you doing?", you ask.

"Throwing starfish into the ocean. The sun is coming up and the tide is going out. They will die."

"But you can't throw all of these starfish back into the ocean. There are thousands. You can't possibly make a difference!"

The boy bends down and picks up another starfish.

"I made a difference to that one", says the boy, throwing the starfish into the surf.

You make a big difference to someone every day!

(Source: The Starfish Thrower, by Loren Eiseley)

## IN BRIEF

### ATO Scam Alert

The ATO is warning taxpayers that scammers are sending text messages to people, asking them to click on a link to update their details in MyGov. The ATO states that it will never send an email or SMS asking to access online services via a hyperlink.

### Local Sporting Champions

The Local Sporting Champions (LSC) program is an Australian Government initiative to provide financial assistance for young sportsmen and women, aged 12-18.

If successful, applicants will receive \$500-\$750 towards the cost of attending their championships.

- Base Grant \$500
- Applicants travelling 800km-2,000km to championships +\$100
- Applicants travelling internationally or greater than 2,000km to championships +\$200
- Applicants residing in a rural electorate +\$50

For further information, visit:  
[https://www.ausport.gov.au/ais/grants\\_and\\_funding/local\\_sporting\\_champions](https://www.ausport.gov.au/ais/grants_and_funding/local_sporting_champions)

Applications are ongoing.

### Quote

"When the spirits are low, when the day seems dark, when work become monotonous, when hope hardly seems worth having, just mount a bicycle and go out for a spin down the road, without thought on anything but the ride you are taking".

(Source: Sherlock Holmes author, Arthur Conan Doyle, Scientific American 1896)