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NEWSLETTER



Property Investing Checklist

Investment in residential real estate is often a lengthy process and one that usually involves a plan for the long term. To ensure you have considered what is required before making the big purchase, we've outlined steps you need to take in that process.

Make the commitment

A property investment must be a long term commitment in order for it to be worthwhile, so the very first step is to 'do the numbers' in order to evaluate your budget, potential constraints and future financial and personal obligations including the potential impact on family members.

You should consider your future as far ahead as you can by assessing your ability to maintain or improve personal income, not just in the short term but for 5 to 10 years.

You need to also make the commitment to 'manage' the investment – even if you outsource the day-to-day tasks involved including locating suitable tenants, collecting rents, paying relevant costs in rates and taxes as well as ensuring that the property's repairs and maintenance are kept up to date.

Obtain Professional advice

You now need to obtain professional advice with the most common sources being:

- an accountant, who can advise re tax implications
- a financial planner, who can help determine if this is the right type of investment for you
- a buyer's agent, who can help locate the property that best suits your investment strategy
- a mortgage broker, who will help you secure the most appropriate finance available to you
- and finally, a solicitor (or conveyancer) who will advise on the legal steps involved in the process.

Assistance from relatives & friends

Talking to friends, family and acquaintances who have already made such an investment. This will often raise your awareness of stumbling blocks and potential issues that you might otherwise miss. It can help to bounce any issues off a trusted friend or relative who has been there before.



Collate your information

In order to apply for finance, you will need to provide your mortgage broker with the following:

- proof of your current income and employment
- details of your assets and liabilities (including debts, loans, rental payment, outstanding credit card obligations and any other due payments and even buy now pay later commitments).

Add any paperwork that helps support your personal position. For example, if you have been a long-term tenant, get a 12-month tenancy statement that proves your capacity to make regular repayments.

Before applying for a loan, minimise your current debt load, and if possible, reduce the limit on, or cancel any credit cards you have, as this is perceived by lenders as potential for debt.

Other things to consider

An investment property purchase should not be an emotional decision - it is actually a business decision.

Consider choosing a property based on whether you feel like you could live in it. While it's still a business decision, you also have to adopt the mindset that you could be selling to an owner/occupier down the track.

If however you plan to rent the property, your decision should be based on what would appeal to the type of individual who wants to reside in the area.

Source: MFAA

Preparing your mid-sized business for the holiday period

With the changes most companies have had to implement this year due to COVID-19, it's no surprise that as we approach the holiday period, business owners are feeling a lot more stressed than normal.

Whether you own a business that provides services or sells products, ensuring your company is prepared for the unique set of challenges associated with the upcoming Christmas period is essential to ensure consistency, cash flow and a productive start to the new year.

Whilst it might seem like a headache to start organising for Christmas when you're still some time away, getting started early will help save time, money and a whole lot of stress in the long run.



Analyse historical data, pivot if needed and plan ahead

Forecasting is the science of predicting the future. It might sound tricky, but with the use of business management software and website statistics you can quite accurately analyse your company's historical data trends and make an educated call on what might happen this year when it comes to product sales, customer needs and even staff scheduling.

Have a look at your sales over the last Christmas period, and then add or deduct what expect to be the growth or loss percentages for this year. The best way to do that is by looking at the data you've collected throughout the year, and to carry the same yearly growth or loss rate through to the specific holiday period.

What your historical data can't take into account is just how significantly things have changed over the past 12 months. In this case, not only will you be looking at past data, but you'll likely also need to build in a few contingencies based on new assumptions. For example, have you switched to remote working since last year? How will that impact the holiday trading period? Have you considered any impacts as a result of border closures or the loss of key suppliers due to the pandemic?

Combining historical data with educated guesstimates for 2020 will give you a solid idea of the amount of product you need, and you can then calculate how much manpower you'll need for packing, shipping, monitoring customer service channels and other tasks associated to your sales. Having a comprehensive business management software in play will make this part of the process much more straightforward.



Supporting staff with their leave entitlements

It is common for staff to use their accrued annual leave over the Christmas period. For industries like retail, these breaks tend to be much shorter, but for some firms, such as law offices, these breaks can be up to three weeks long and most staff do not have the option as to whether they take it or not.

Fairwork Australia (FWA) explains that an 'employee can be directed to take annual leave during a shutdown if their award or registered agreement allows it'. If the employee does not have enough annual leave saved up, 'an employer can direct an employee to take annual leave in advance of accrual, or unpaid leave, for some or all of the time'.

For companies who actually want their staff to work over Christmas, FWA advises that staff are not required to work on public holidays, but 'an employer can ask an employee to work on a public holiday, if the request is reasonable'. In saying that, they also note that an employee can still refuse a request to work if they have reasonable grounds.

Before discussing annual leave and Christmas closures with your staff, it's essential that you first understand the predicted needs your company will have over this period.

That's where having a clear picture of leave balances is necessary, enabling to build a picture of who of your staff have excess leave, as well as those with none. This will help you predict who's likely to be in need of a longer break, so you can start a discussion around spending some of that leave without becoming short staffed.

Once you have predicted the workflow for your business for the Christmas period and you understand the staff support that you will need, it's best to meet with staff 'sooner rather than later' in order to plan ahead for the festive season.

Don't forget the gift of gratitude this year

Something many business owners overlook is the importance of celebrating with their staff.

While end of year celebrations might seem like a waste of money or resources, the morale boost that it provides staff is invaluable. Celebrations enhance team spirit and help to retain your company employees by encouraging a collaborative, fun environment they want to work in.



Christmas, or 'end of year' parties are all about taking the time to thank your staff, celebrate the year and provide them with a chance to relax with their teammates.

With everything that's going on, it's a financial reality for some businesses that end of year celebration need to be scaled back. But even if you're in a position where you need to cut costs, it's just as (if not more) important this year to demonstrate gratitude to your team.

If you get planning now, you'll find that the festive season can be a period of reflection, celebration and, if you get it right, seamless organisation.

Source: MYOB

Aged Care – Part 1: Approval

This first part of a 2 part series will look at how Government subsidised aged care services can be accessed and will hopefully help you understand the assessments required to determine whether you, or your loved one, is eligible to receive aged care.



Approval

More Australians are using aged care services each year. Whilst it may seem daunting at first, the aged care system has improved significantly over the last few years, with a strong focus on ensuring help and resources are available to help you every step of the way.

You can access aged care services through a non-government subsidised provider of aged care anytime. However, if you wish to access government subsidised aged care, the first step involves an assessment. This assessment will help identify the type of services you may be eligible for.

The assessment process

An assessment will be completed to work out your care needs and identify the type of support you may be eligible for. This is a free service which you can start by calling My Aged Care (the Government service for aged care) on 1800 200 422.

During the call, a client record will be created to register you with My Aged Care. To create this record, you will be asked about your current needs, any aged care services you may already receive and the results of any prior assessments.

They will seek to find out more information about how you are managing around the home, any health concerns you may have, and any support from family or friends you receive. Openness and honesty will ensure they can fully understand your care needs.

ACAT or RAS assessment

If you have been referred for an assessment, an assessor will contact you to arrange a time that suits you best to come and visit you in your home. An assessment is provided by a local assessor from an Aged Care Assessment Team or ACAT.

Depending on your health needs, an assessment may otherwise be provided by a Regional Assessment Service or RAS. To make sure the assessment is effective, there are a few things to prepare before the visit:

- your Medicare number
- a copy of any referrals from your doctor
- any information you already have about aged care services that you may want to discuss with the assessor
- your GP’s contact details
- information on any support you currently receive.

If you would like a family member, carer, or friend to be with you during the assessment, just let them know the time and date you have agreed with the assessor.

What happens during the assessment?

The assessor will have a record of all the information you provided during your initial phone call, and will look to increase their understanding of your needs by asking some more questions about:

- what support you already have and if that will continue
- your health and lifestyle, and any health concerns
- if you have problems with your memory
- how you are going with daily tasks and activities around the home
- any issues with home and personal safety.

You can ask questions of your own, such as what services are available and whether there are any service providers in your area.

Working together, you will develop a support plan that includes your strengths, difficulties, goals and preferences for your aged care services.



After the assessment

Your assessment will determine your eligibility to access services at home or in a residential aged care facility. If you are assessed as eligible to access services, you will receive an approval letter and support plan that sets out the services you are approved to access. If you are not approved to access services, you will receive a letter stating why and who to contact for more help.

To find out more about your aged care options, talk to a financial adviser such as Accountplan's own Dion Richardson. It is as easy as calling our office on 07 3883 8999

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