

Client Newsletter

Biddulph & Salenger Lawyers

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OFFICE UPDATE

Thank you to all who have referred clients to us. We appreciate your ongoing support. We strive to provide an efficient and personal service. If we fall short please let us know so that we can improve our performance.

We continue to upgrade our technology which causes initial disruption but ultimately greater speed and efficiency. Aside from our computer literacy we continue to update our legal skills. There is not much that Warwick Dunn does not know about conveyancing and estates but he remains assiduous in keeping abreast of the latest changes. With his many years of legal experience he can offer practical advice on most problems. To retain her specialist accreditation Maryanne Ofner attends at least 10 hours of conferences a year in family law. She also attends short courses in general law and litigation. Sue Barry-Cotter has successfully managed the transition from paralegal to solicitor. Sally Skene has completed her course at Macquarie University which makes her a Licensed Conveyancer. Irene Siotis, a new member of our team who speaks fluent Greek has completed a Legal Secretary's Course.

Technology and Legal knowledge have to be delivered to you in a meaningful and personable fashion. In the course of looking after your matters we have the frustration of dealing with call centres, and computer queuing systems. We leave messages on answering machines and listen to music and messages on hold. For your part however we hope that you don't have too much trouble in obtaining personal and helpful responses when you contact us. Please let us know if you have difficulties. Remember too that we do not charge for quick telephone advice.

The apocalyptic event passed uneventfully. Our Y2K compliant computers survived the test and all your records remain intact.

The last year of the millennium was a busy and successful one and we hope that with your support our firm will continue to flourish into the next century. We particularly hope that we are able to do our bit to make your lives less problematic and when difficulties arise that we can ease you through them.

DE FACTO RELATIONSHIPS

New legislation has extended the definition of a de facto couple to include same sex relationships. The entire circumstances of the relationship are to be taken into account including duration, degree of financial dependence, nature and extent of common residence, whether or not a sexual relationship exists, the ownership, use and acquisition of property, degree of mutual commitment to a shared life, the care and support of children, the reputation and public aspects of the relationship.

Another class of persons can use the provisions of the Act, namely those in a "close personal relationship" defined as between two adult persons whether or not related by family who are living together, one or each of whom provides the other with domestic support and personal care. The relationship must be no less than 2 years. It is now possible for parents to make claims for property against their children, children against their parents, siblings who share accommodation, unpaid domestic and personal carers and even people who simply flat together. It will be interesting to see how this new legislation will evolve in practice.

STAMP DUTY DEFERRED

From 1/1/2000, payment of stamp duty can be deferred until settlement for properties purchased off the plan. This is a boon as the time between exchange of such contracts and settlement can be months or years..



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GST

GST will typically apply to goods and services supplied after 1 July 2000 under contracts entered into after 8 July 1999. The intention is that the tax be passed onto the ultimate consumer.

The GST you charge on the goods or services that you supply is called your "output tax". The GST you pay on business inputs is called your "input tax". Input tax can generally be claimed as a credit by businesses provided the business is subject to GST and the inputs purchased are for use in the business and not for other uses such as a private or domestic use. The amount payable to the ATO is the difference between the output tax and input tax.

In order to collect and remit the GST from your output tax and claim back credits for your input tax your business must be registered with the ATO.

Registration is compulsory for businesses with an annual turnover of \$50,000 or more. Although unregistered businesses do not account for GST on the supplies they provide to customers they also cannot claim back the GST which has been paid on their inputs. The result is an increase in the cost of the inputs to the business.

A simple example of how a GST return works is as follows:-

Total Sales during 3 month period on a cash or accrual basis including GST collected	\$110,000
Output Tax relating to suppliers services 1/11th of \$110,000	\$10,000
Total purchases (i.e. suppliers of services to you) during same period	\$1,100
Input Tax (i.e. tax incurred by you) 1/11th of \$1,100	\$100
Net amount to be remitted to ATO	\$9,900

The ACCC will monitor prices from 9 July 1999 to 30 July 2002 to prevent consumer exploitation and excessive profit taking. Businesses must not increase their prices because of GST by an amount that will result in an increase in the net dollar profit margins on their goods and services. Anyone engaged in price exploitation during that period will be liable for penalties of up to \$500,000 for corporations and \$10,000 for individuals.

LEGAL CHECKLIST

The most basic steps can often save a great deal of expense and delay in the long term. It is surprising how often they are overlooked.

- Do you have a will?
- Have you up dated your will in the last 5 years?
- Do you have a power of attorney?
- Have you considered appointing an enduring guardian?
- Do you wish to contest a will? Act promptly as time limits apply.
- Have you been involved in a car accident, industrial accident or assault incurring personal injury? Have you pursued your entitlements? Time limits apply
- Have you made a loan to a friend or family member? Is it documented in writing or better still secured? Oral agreements are difficult to enforce.
- Have you sought a divorce? Pursue your property entitlement within 12 months of the divorce. If separated from your de facto make a claim for property within 2 years of separation.
- Are you a trustee? Have you reviewed the investments lately? Positive duties of diligence require this.

BUILDING CERTIFICATES

As from December 1998 it is compulsory to disclose any possible non compliance when selling a property. Otherwise the purchaser may have an automatic right to be released from the contract if there was a defect at the time the contract was entered into which would have resulted in a Council demolition or work order. A building certificate issued by council might be necessary if you are buying or selling.

OLYMPICS

Our office will be open as usual. Much of our business is by phone/fax or email but business will be quieter. There will be no hearings in the District, Supreme and Compensation Courts and only emergency hearings in the Family Court. With 10,200 athletes, 5,100 team support staff, 15,000 media members, an Olympic work staff of 100,000 and holders of 9 million Olympic tickets in circulation, we expect that our conveyancing clients will think twice about moving house during that period!

DISCLAIMER

This newsletter is for the benefit of clients. The information is of a general nature only. You should not act solely on the basis of material contained in this newsletter.