



HAVEN money

WHEN DUTY CALLS

Benjamin Franklin was remarking on the future of the new American constitution in 1789 when he penned that “nothing is certain but death and taxes.” But it’s a line many of us recall today with a sigh of surrender when we buy our homes and hand over thousands in a tax known as stamp duty.

Stamp duty on property transfer is the biggest tax you will pay in one chunk in your life. And while a burden for buyers – especially borrowers – the tax provides billions in revenue for state government coffers. Victoria alone reaps around \$3.8 billion in property stamp duty each year.

Many of us mistakenly think that the duty is on the property. Stamp duty is actually a tax levied on a legal document, in this case a contract to exchange property ownership. In colonial days, the document was not legal until the tax had been paid and the piece of paper actually stamped. There's no physical stamp today, but the tax has stuck.

One size does not fit all

The duty on property transactions varies from state to state and depends on either the sale amount or the property value. In Western Australia, for example, you will pay \$19,665 in stamp duty on the first \$500,000 of the sale price and then \$5.15 for every extra \$100.

The Property Council of Australia argues that stamp duty deters Australians from moving as often as they might like. More than 70 per cent of us who said we would have liked to move house in 2007-8 didn't because we couldn't afford the relocation costs, according to the Australian Bureau of Statistics. For home buyers, one of those inescapable costs is certainly stamp duty, as the table below shows.

CAPITAL CITY	VALUE OF MEDIAN HOME, JUNE 2009	STAMP DUTY PAYABLE	OTHER MOVING COSTS	TOTAL COST OF MOVING	EFFECTIVE TAX RATE ON MOVING
Sydney	\$544,000	\$19,970	\$21,320	\$41,290	94%
Melbourne	\$441,900	\$18,484	\$18,257	\$36,741	101%
Brisbane	\$419,000	\$5,915	\$17,570	\$23,485	34%
Perth	\$450,000	\$15,390	\$18,500	\$33,890	83%
Adelaide	\$359,000	\$14,280	\$15,770	\$30,050	91%
Hobart	\$336,000	\$10,990	\$15,080	\$26,070	73%
Canberra	\$458,000	\$18,240	\$18,740	\$36,980	97%
Darwin	\$537,100	\$26,586	\$21,113	\$47,699	126%

Source: Property Council of Australia. Note: Other moving costs assume real estate agent fees of 3 per cent on the value of the home as well as a flat \$5,000 cost in all states. Stamp duty payable assumes that the buyer is not entitled to concessions such as first home buyer assistance. These estimates overstate the monetary non-tax costs of moving for those vendors who choose not to engage a selling agent or professional removalists.

Footing the bill

Regardless of where you're buying, the stamp duty bill will run to the thousands and needs to be factored into your overall home buying budget. Generally, it's payable within three months of the contract exchange so you either need to have it saved or be able to cover it in your borrowing, if your lender allows it.

The problem with tacking your stamp duty costs onto your home loan is that, unlike the property itself, the debt is not an asset. Some lenders prefer not to take this risk. It's also not very economical, especially if you're an owner occupier. Let's say you're borrowing \$350,000 to buy a \$500,000 property and you want to add the stamp duty of \$17,990 to your loan. By the time you pay the loan off in 25 years, you will have forked out an extra \$21,000 in interest. The maths is more palatable for investors because the stamp duty and related interest charges are tax deductible. Talk to your broker about your loan options if you need to borrow for stamp duty charges.

Relief for first-time buyers

There is some good news for first-home buyers, with most states and territories offering concessions in addition to the First Home Owners Grant.

NSW

Stamp duty is waived for market entrants on the first \$500,000 of a home's value – a generous saving of around \$20,000. There are also concessions for homes valued at \$500,000 to \$600,000.



NSW also offers duty exemptions on land sales for first-time buyers up to the value of \$300,000 and discounted rates for blocks valued between \$300,000 and \$450,000.

Victoria

In addition to the First Home Owner Grant, the State Government is trying to boost new housing stocks with a First Home Bonus. It's not exactly a discount or an exemption on stamp duty - rather a generous incentive for buyers to consider a brand new home, which can help considerably with stamp duty charges. Until June 30 this year, the government is giving firsttime buyers \$13,000 towards a new home up to the value of \$600,000. Buy a new home in the country (a recognised regional municipality) and you'll get an extra \$6,500.

Queensland

The Sunshine State already has the cheapest property duty in the country but the news is even better for first buyers who are owner occupiers. They're exempt from paying stamp duty on existing homes up to the value of \$500,000 and on vacant land up to \$250,000. A sliding scale applies after the cut-off values.

Western Australia

First-time buyers pay zero stamp duty on homes up to \$500,000 and vacant land up to \$300,000. Discounts apply for new buyers on homes between \$500,000 and \$600,000 and land between \$300,000 and \$400,000.

South Australia

A First Home Bonus Grant of up to \$8,000 is offered to new entrants for homes up to \$400,000. It drops by \$8 for every \$100 over \$400,000 and cuts out at \$450,000.

Tasmania

Buyers who qualify for the First Home Buyers Grant are also eligible for a stamp duty discount of up to \$4,000 on owner occupied property valued up to \$350,000.

ACT

Income tests apply to first-home buyers looking for help with stamp duty in the ACT. You may qualify for a full tax concession for homes up to \$374,000 in value or a discount for those up to \$465,000. On land, the full stamp duty concession applies to eligible buyers spending up to \$208,300, while partial concessions apply on land up to \$257,200 in value.

Northern Territory

First buyers won't pay any duty on property for the first \$540,000, a healthy saving of \$26,730

cheap tricks to **BOOST VALUE**

Tired houses are a yawn for their occupants and potential buyers when the time comes to sell. Haven looks at some of the simpler ways you can add value and give your home a new lease on life, without turning yours upside down.

LIGHTEN UP

Natural light not only makes rooms brighter and appear larger, studies have shown it can make us feel calmer, happier and be more productive. What's more, daylight is one of the best value additions you can make to your home.

For around \$800, a skylight or solar tube will light up a small, dim room or hall. Let light into larger spaces by adding a larger skylight, widening windows, replacing a solid door with a glasspaned one or, to really open things up, knocking down a wall. Tearing down walls is obviously the more extreme option but not necessarily as expensive as you might think. Firstly, if it's not a load-bearing wall (get a licensed builder to check) you could do most of the hard yakka yourself. If the wall is brick or helping hold up your roof, get a professional to remove it. Taking down an average room wall costs around \$2,000, but additional structural supports, such as beams, could double that. Even if you do have to fork out extra, you'll be getting plenty of bang for your buck all day, every day. You'll be glad you saw the light!

CLEAR THAT CLUTTER

Clean, clear spaces in a home are highly sought – perhaps as an antidote for our busy, crowded schedules. Storage is king, but don't rush to install built-in wardrobes or build a bigger garage. Get ruthless with your clutter, first. Go room to room, cupboard to cupboard, drawer to drawer deciding what should be ditched, donated or doted on. A great rule of thumb for clothes and household items is if you haven't used it (or seen it) for two years, it's time to toss it.



If, after paring down, you still feel you need extra storage, consider organising the garage. Where once we strewed bikes, tools and boxes of Elton John LPs around our parked cars, garages are now sporting hooks and nooks to clear floor space and keep excess stuff in a most orderly fashion. Hangers and racks to get things off the ground are sold at hardware stores from \$20 upwards. Or you can spend \$1,000s with a garage fit-out specialist to create a whole new room with maximum storage (and still space for the car).

LAY OF THE LAND

No longer just a slab of lawn out front and back, the yard and garden have morphed into our outdoor rooms. If, like many of us, you're not blessed with an eye for design and a green thumb, it's well worth paying a landscape designer up

to \$2,000 to scope the layout and specify what plants or structures should go where. You may even save considerably on the design fee – if you don't mind being a bit of a guinea pig – by getting a referral for a final-year landscape student from a TAFE college.

Look to remove trees or other foliage that block light, fix any broken fences or gates, cut back on expansive lawns that need mowing by paving or decking the area instead and create privacy with suitable trees or fencing.

FULL FRONTAL

Yes, first impressions really do count! Front doors have never made a grander statement, so consider what your current one is saying about you. If it's hum-drum, look at widening the entrance and fitting it with double doors or one of the new wider, chunkier front doors.

Frame your front door with something that says "welcome", be it a stylish plant in a pot, a tasteful sculpture or a neat path trimmed symmetrically with ground cover plants.

You may find your money is best spent even further out front with a driveway make-over. For around \$10,000 you can get an old concrete driveway smoothed and stencil-sprayed.

YOUR OWN CANVAS

Perhaps the cheapest and least intrusive way to transform an interior is to repaint. Dark rooms can be made bigger and brighter with the right, light hue, while bland homes can make a bold statement with a striking feature wall. The best thing about painting (or perhaps it's the worst) is that most of us can tackle at least a wall or two, leaving us with just the cost of paint, rollers, drop-cloths

and brushes. Those who don't have the patience or time will pay up to about \$8,000 for a professional to paint an average size home. Whether you go DIY or hire a pro, you should consider spending an hour and about \$200 with a colour consultant. They will come to you and, with a designer's eye, recommend palettes for your various rooms. They generally have preferred painters but, providing you pay for the colourist's time, they usually don't mind if you hire someone else or get stuck in yourself.

TOUCH BASE

Once you have decided on your action plan, touch base with your broker about how your mortgage is looking and what finance options are available for your proposed renovations. Be they big or small, your broker is more than happy to talk to you about all the options on the table.

The popularity of dance reality TV in this country can't be denied, with programs like *Dancing with the Stars* introducing a whole new audience to the art form. An exciting new contemporary Australian dance company is tapping into the zeitgeist, and the people behind it read like a who's who of the Australian dance scene. International dance icon Graeme Murphy is the company's patron and choreographer of its first national tour, the dynamic *Suite Synergy*. Combining high energy modern dance with pulsating live percussion, this production will be like nothing Australian audiences have seen before. Haven caught up with Brett Morgan, Mod Dance Company's artistic director and a giant of the Australian dance community.



Brett Morgan

Q. How did you get started in ballet, what or who inspired you?

A. My Nan use to play old Gene Kelly and Donald O'Conner movies. I would dance and sing around the lounge room to them. Many years later I had the pleasure of meeting Donald. He was flattered that he was able to inspire a young man into dancing.

Q. As you grew up being a male ballet dancer, what did your mates think about you dancing?

A. I attended an all boys private school in Fairfield NSW so I always expected a bit of flak. Luckily I also played rugby league, which made me a bit of a conundrum. It helped that I had a lot of cute female friends through ballet too.

Q. Give us a little history of your career in dance.

A. Australian Ballet School in 1981 completing my Diploma in Dance, joined the Australian Ballet in 1984 and after a number of years completing soloist and principal roles, I left to join Sydney Dance Company where I stayed for 18 years. My last few years there I was acting artistic director and dance director.

Q. You are now artistic director of Mod Dance Company, what does an artistic director do?

A. I select the works that the dance company will perform and then oversee the production, such as working with set, lighting and costume designers, the musical directors, choreographers and the selection of the dancers. With a creative team of four people in the studio I ensure the dancers develop the artistry of their roles.

Q. Your new show with Mod Dance Company, Suite Synergy is a fusion of two works from Graeme Murphy's repertoire from the 1990s (Free Radicals and Synergy with Synergy). How is the new creation different and what can audiences can expect?

A. I've picked the most entertaining pieces of each show and fused them together to form a feast of family entertainment. If you enjoy watching reality dance TV, you will thoroughly enjoy a night out with exceptional dancers and live percussionists performing a wide range of dance styles.

Q. Tell us about your daily routine, what is a typical day like when working on a production like this?

A. We meet at the rehearsal studio at 8.45am. The dancers have a one hour warm up class. With my creative team, we break up the group and run through the steps of the show before coming together and putting it to music. After rehearsals, I will usually have further meetings with the production team or meet with journalists or TV crews. I get home about 6pm but normally work until midnight.

Q. What is the most memorable experience of your career?

A. Performing in front of the Queen in London in the role of Beast in Beauty and the Beast. Afterwards the Queen came backstage and told me personally how much she'd enjoyed my performance.

Q. What is one of the funniest things that has ever happened to you during your time dancing?

A. I managed to throw my cape completely over the top of the conductor's head while he was conducting the orchestra, at the same time as clinking my cup with a fellow dancer only to be left with the handle in my hand. Thankfully the scene

was meant to be a party scene, as most of the performers couldn't control their laughter on stage.

Q. What advice would you give an aspiring dancer starting out, and what advice would you give their parents?

A. For the dancer, do the hard yards first, get a solid classical technique behind you, become versatile by learning as many different styles of dance so that prospective employers have a large palette to work with. For their parents, understand the importance of good nutrition - while they are young, school work is paramount and dancing is for fitness and enjoyment.

Q. What traits do you believe are needed to be successful in dance?

A. Discipline, determination and patience.

Suite Synergy tours from March, visit www.suitesynergy.com.au for tour information.