



Newsletter

Late Spring 2011 Edition

Happening at CAS

After months of planning for our office move the local council has thrown a curveball which will see us stay put for the short term. Apologies to those with 'Dickie Knee' - we know the stairs can be tough!

On a more positive note, we have recently added a new client alliance for your consideration.

JDL Strategies is a property and general investment company that Todd and Alex have looked into and are very confident with.

Those clients on our email list should have received an invitation to the information day Saturday week ago - very worthwhile.

If you are thinking about property investment and unsure where to start, please call the office for a free appointment with the team here - a great starting point.



R & D - and money back

It has been around for a while but poorly advertised - Business Research & Development (R & D) can provide tax benefits with correct applications.

The Governments new R & D tax credit has now passed through both houses of parliament. Under the new system, companies with a turnover of \$20m or less will be eligible for a 45% refundable tax offset on R & D investment.

Interestingly, the tax credit was supported by the Labor party and the Greens, and opposed by the coalition.

R & D activities are generally new innovations, new technology or techniques that follow science principles with an uncertain outcome.

For those looking at the potential of a current idea our contact is John Jacob - john@wallingup.com. John can assist with assessing the idea from a scientific perspective and help with "how expenditures MAY qualify", assist with the preparation of an R & D plan, ensure correct record keeping and the internal action plan for optimum results.

Or there's always 'The New Inventors' - ABC Television

We Could all be Winners this Melbourne Cup

ECONOMISTS are becoming increasingly confident the Reserve Bank of Australia will cut interest rates on Melbourne Cup Day, in a bid to stop the economy from stalling and unemployment climbing.

The forecast is the official cash rate will be slashed by 25 basis points to 4.5 per cent. This came after the RBA last week flagged that an interest rate cut could be ordered due to a decline of 2.1 per cent in job position vacancies. The number of vacant jobs in Australia has been falling as the official unemployment rate increased to 5.3 per cent.

The interbank futures market is convinced that the RBA will aggressively slash rates, starting next month. The likelihood of a Cup Day rate cut is 1345 per cent -- a more than certain prospect.

A Cup Day cut would be the first time the RBA has reduced interest rates since April 2009, when it was managing the fallout of the global financial crisis. (Note from editor (Todd) - don't bank on it! Long shot. 27/10)



Business Development

It is so easy to use the business cliché's: 'working on it rather than in it' 'letting go to let it grow' and so on....

We all know them, yet struggle to do them.

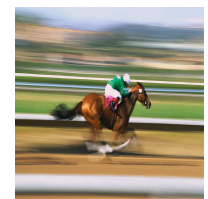
As accountants it is even harder! Whilst we know the details, we certainly need the reminders to "do something".

Having recently attended a short seminar via Action Business Coaching we are putting together some new ideas to plan our next moves.

Now is your turn! We would encourage any business owner or manager to take the time to attend one of the many events held around Perth - to start thinking about the little things that can help you take the next step.

If you would like to attend, but don't get invitations for events, contact our office - we would be happy to host some more free presentations with the guys from Action.

For the first time in 4.5years we will be implementing a price rise for our Structure Set ups. From 1 January 2012 the cost for a company/trust structure will go from \$1650 (inc GST) to \$1650 + GST. Other structures will have similar movements.



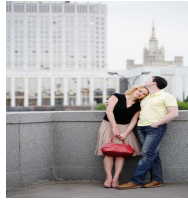
**Not Joking
Around**

LIFE'S JOURNEY

**is not to arrive at the grave safely in a well preserved body,
but rather skid in sideways, totally worn out, shouting
“Yippee Ki Yay..... WHAT A RIDE!!!”**

For Love or Money

Money is one of the main causes of relationship problems... or is it? Some experts say that it's really a lack of communication and trust.



Money has meaning beyond the numbers on a page or notes in your wallet. It is strongly linked to our sense of security and self worth.

So if you and your partner argue about money you're not alone.

How can we improve our 'financial communication'?

1. Discuss your differences
2. Plan to get ahead
3. Budgeting is not about going without
4. One pot or two?
5. Protect your assets
6. Should you have a financial controller?

Do you spend up big and hope for the best OR do you save for a rainy day? With today's economic uncertainty it is important to focus on your finances.

Take the time to set a budget and start planning for the future. Whether it be for an investment property, renovations or new car, having a plan is essential. Contact us if you would like some help or advice.

It might just save your relationship, too.

WHEATSTONE WORK

Business is being urged to register interest for work on Western Australia's latest mega-project which has opportunities across a massive range of commercial and industrial services.



Construction of the \$29 billion Wheatstone LNG project in WA's north-west is underway, and Chevron and its partners are budgeting for half of the development spend to go to Australian industry.

The consortium has established what it calls the Industry Capability Network (ICNWA) to allow suppliers to register their interest. ICNWA then reviews capability and makes recommendations to the project.

For more information, see

<http://www.chevronaustralia.com/ourbusinesses/wheatstone.aspx>

ATO Compliance - a head's up!

This year the ATO will undertake over 12,000 audits and reviews of small to medium enterprises to ensure refund claims are correct. Claims outside normal occupation, individual or industry ranges may result in all aspects of the person's tax affairs being thoroughly reviewed before a refund is issued.

You can still take up our offer of Audit Insurance if you think you may be at risk.

Maybe the government is bleeding the treasury dry?

The ATO recently announced a crack-down on GST liabilities.



What is the ATO targeting?

The ATO is chasing:

- Late BAS lodgers;
- Incorrect information in the BAS;
- GST evasion;
- GST debts owed to the ATO;
- Not registering for GST when required to do so;
- Persistently exploiting bankruptcy;
- Colluding with others to avoid GST.

What happens if you don't lodge your BAS or income tax return on time?

If you have received a letter that says 'this is a notice pursuant to section XYZ of the Tax Act' you just have to do what it says. Generally, those letters require you to lodge your income tax return or BAS for a particular period by a set day.

If you fail to comply with the notice, the ATO has the option of commencing criminal proceedings against you. Section 8C of the Tax Act is the most common taxation offence charged in the country. The ATO only needs to prove that you didn't lodge by the date specified in the notice.

A conviction for such a minor offence may have severe consequences if you're a company director or trustee of a self managed super fund.

What happens if you get the BAS in on time but can't pay the debt?

It appears someone at the ATO is compassionate; at least towards small businesses. The ATO has announced small business can apply for a General Interest Charge (GIC) holiday.

You may be eligible for a GIC-Holiday arrangement if your business:

- has an annual turnover of less than \$2 million;
- has a recent activity statement debt of \$50,000 or less, which has been outstanding for no longer than 12 months;
- has a good payment and lodgement compliance history, including;

- no more than one payment arrangement default within the last 12 months
- no outstanding activity statement lodgements

is unable to obtain short-term finance through normal business channels;

is able to demonstrate ongoing viability; and agrees to a sustainable direct debit payment arrangement that will allow the debt to be paid within 12 months.

If you find yourself in this situation talk it over with us - there are certainly ways that we may be able get you through this difficult time.

Disclaimer: While due care is taken in preparing comment on topics this newsletter is not intended to provide advice. If any of the topics above cause concern or general interest please do not hesitate to contact our office.