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Important Dates

05/06/2011 - Last date for income tax returns for 2010. If lodged after 15 May 2011, tax is payable upon lodgement of return

13/06/2011 - GTP closed for Queens Birthday public holiday

21/06/2011 - May activity statement lodgement and payment due for monthly payers

14/07/2011 - PAYG statements (group certificates) to be provided to each employee by this date

21/07/2011 - June activity statement lodgement and payment due for monthly payers

28/07/2011 - June quarter Superannuation due

28/07/2011 - June activity statement lodgement and payment due for quarterly payers

14/08/2011 - Annual PAYG summary (group certificates) to be provided to tax office by this date

21/08/2011 - July activity statement lodgement and payment due for monthly payers



FAREWELL TO OUR SUE!

Sue Olston will be retiring from GTP on 30th June 2011 and in the process GTP will be losing one of our longest serving team members.

Sue started with GTP on 2nd January 1974 straight from school and has progressed through the ranks of the firm having completed a University degree off campus, and being admitted as a Chartered Accountant and CPA during the journey.

In some ways Sue has been a pioneer being one of the first female partners in a Chartered Accountant firm being an equity owner for the past 21 years. Outside of her daily vocation Sue has also found time for a family and raised four children with her husband John.

GTP would like to thank Sue for all she has brought to the firm and wish her all the best for her future after leaving GTP. We are sure the firm is better for her involvement and there will be many legacies within the firm for years to come that can be attributed to Sue.

10 TAX TIPS FOR BUSINESS pre 30 June

1. Understand what your 2011 tax position is and your marginal tax rate. Meet with your GTP Accountant
2. Prepay business deductible expenses (up to 13 months) for 'small business' (<\$2m turnover)
3. Maximise super contributions for owners, and pay all contributions owing
4. Review all debt—convert non deductible debt into deductible where possible (e.g. pay off house loan and leave business debts "interest only")
5. Look to structure affairs to enable income splitting and allocation of income to lowest taxpayer (e.g. use of a Trust)
6. Write off any bad debts through the books
7. If purchasing assets, ensure physically installed and ready for use—so as to claim part deduction in 2011 and full deduction in 2012
8. Consider leasing any asset acquisitions pre June and pay in advance
9. Manage stock on hand. For farmers, sales of grain in June with proceeds in July generally not taxable until received
10. Farmers—consider Farm Management Deposits

FAREWELL TO SALLY P!

This month GTP has farewelled long time team member Sally Pearson who is now enjoying retirement.

Sally originally came to GTP in June of 1975 and has worked on a full time and part time basis since—apart from a few years as manager of a local business.

Sally has come to regard GTP as an extension of her family (just as we see her as part of our family), and in fact when she first started at GTP in 1975 one lady she worked with later became her mother in law when she married Geoff! Then in 2008 Sally's son in law Daniel Blay joined the team and they have been working together ever since.

GTP wish Sally all the very best for her retirement and thank her for her dedication, loyalty, antics and laughter throughout the years. She will be very sorely missed!





TAX TIPS & "TO DO'S" by 30 JUNE
INDIVIDUALS



1. Prepay interest on investment loans to bring forward the tax deduction to this year
2. Spend up to \$300 on small asset items that relate to income earning activities and get 100% deduction
3. Self Employed? Maximise your tax deductible contribution:
Under 50 years old—\$25,000
Over 50 years old—\$50,000
4. Taxable income less than \$31,000? Contribute up to \$1,000 into Super and the Government will top it up with \$1,000 (Scaled—cuts off at \$61,000)
5. Negotiate a salary package with your employer for next year (01/07/2011). Look to utilise FBT exempt benefits. Particularly attractive for Hospital and Not For Profit employees
6. Made a Capital Gain? Research your shares to see if you have a 'paper loss'. Consider selling to trigger a loss which will offset your taxable gain
7. Review who holds the family investments. Look to have investment income in the hands of the lowest taxpayer. Maybe set up a Family Trust to allow flexibility for 2012?
8. Take out Loss of Income Insurance Cover! It is tax deductible and everyone should have it!
9. Make sure everyone in your family is covered for Ambulance costs! Not a tax deduction—but will save you money!
10. Consider Private Health Insurance if combined taxable income over \$150,000 in 2012



TIPS TO LOCKING IN GOOD TENANTS!

Have you ever wondered how to keep a good tenant in your rental property? What makes a good tenant? They're the ones who always pay on time and do those extra things around the property that you normally have to.

A good tenant can save you money in the long run as regularly changing tenants can raise costs such as letting fees and advertising and there is always the horrible vacancy period.

Here are a number of suggestions to keeping a good tenant:

- Make rent increases fair
- Always respect the tenant as it is their home. Give advanced warning of a visit and attend to maintenance as soon as possible
- Use a good rental property manager or agent who can communicate well. They should do all the screening, conduct regular visits and alert you to maintenance requests
- Keep the property and surrounding gardens clean and tidy. If you present the property well, a good tenant will keep the property clean and tidy
- If it breaks, fix it fast
- Be flexible and be prepared to consider a short term lease
- Provide a few little extras to make the tenant feel special
- Make sure you (the landlord) are protected with adequate insurance if something does go wrong.

We hope these tips can help you find the right tenant.



Contributed by Karen Grainger

WATCH OUT! LAND TAX ASSESSMENTS
NOW ISSUING FOR FARM LAND

Usually your farm (land used for primary production) is exempt from land tax.

We have noticed recently however that land tax assessments are being issued for farming land (incorrectly) and that some are mistakenly paying the assessment.

If you receive a land tax assessment for some or all of your farming land, you will need to advise the State Revenue Office that this land is exempt. The appropriate forms are usually included in the information that you will receive with the land tax assessment.

For further assistance, please contact us.



Contributed by Peter Cramer



FRINGE BENEFITS TAX

Anyone who holds a car/ute in their company or trust needs to consider any potential FBT that may apply.

If your vehicle's private use (i.e. keys kept at home) amounts to more than "minor, infrequent irregular use" (or exceeds 2% private use) you need to discuss this with your accountant.

If this is not an issue, you should at least have a signed declaration on file (typically only for utes) confirming the vehicle as predominantly business.

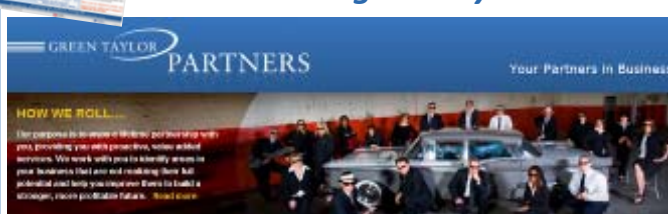
You also need to advise your accountant (if you keep a log book) of the date you last recorded it. Log books should be kept for a period of 12 weeks which are void after 5 years. They can be very beneficial to clients who travel a low number of kilometres in a year and/or the vehicle original purchase price was quite high.

Please revisit this before your next appointment with your accountant.



Contributed by Tracy Richardson

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RESPONSIBILITIES OF EMPLOYERS - New Series to continue in upcoming Newsletter Issues!

When looking to employ staff there are many things to consider and a number that you can't afford to get wrong. These regular "responsibilities of employer" series will outline the important issues that must be addressed when employing staff as well as guiding you through the best practices for ensuring the staff you choose are the right ones for your business.

Once the decision has been made to recruit a team member as an employer you're obligated to ensure you pay your team members correctly and understand their minimum conditions of employment.

The information and useful website links provide you with the resources required to research information and overview of the new "modern Awards" and changes to the industrial relations system.

Minimum Wages and conditions

Where do I find minimum wage information?

Up-to-date information about minimum wages is on the [Fair Work Online website](#).

The minimum employment conditions for employees

The minimum terms and conditions of Victorian private sector employees are set out in the National Employment Standards (NES). The terms contained in the NES will override any less favorable conditions in any award, collective agreement, individual workplace agreement or common law contract. The NES sets out:

- maximum weekly hours of work
- the ability to request flexible working arrangements
- annual leave
- public holidays
- parental leave
- long service leave
- personal leave (sick/carer's and compassionate leave)
- community service leave
- notice of termination and redundancy pay
- The Fair Work Information Statement

Awards and National Employment Standards

What role do modern awards play in Victoria?

Most Victorian businesses are covered by a modern award.

Modern awards commenced on 1 January 2010 and are industry or occupation-based employment standards that operate in conjunction with the Fair Work Act 2009. They were created to establish one set of minimum conditions for employers and employees across Australia who work in the same industries and occupations. The award does not need to list individual businesses.

There is also a Miscellaneous Award 2010 which covers employees who are not covered by another modern award and who perform work of a similar nature to that which has historically been regulated by awards. It is likely that new and innovative jobs which are developed over time will not fall neatly into existing industry awards, so it is possible that the Miscellaneous Award will cover some of those employees.

To find out which award covers your employees visit the [Fair Work Online website](#) or call the Fair Work Infoline on 13 13 94.

The new workplace relations system

The new Fair Work system replaces the industrial relations system based on WorkChoices.

Major changes to the industrial relations system:

- new unfair dismissal laws. New qualifying periods for employees of small businesses with less than 15 employees (12 months of service) replace the 100-employee rule
- enterprise agreements are the new form of collective agreements. This won't affect agreements now in place
- employers must give new employees a Fair Work Information Statement available from Fair Work Online
- new right of entry rules and permits for union officials
- good faith rules for enterprise bargaining, e.g. parties will be required to attend meetings, and share information in a timely manner
- two new federal workplace agencies: Fair Work Australia (fwa.gov.au) and the Fair Work Ombudsman (fwo.gov.au). The two agencies also have a general entry point to their websites at Fair Work Online (fairwork.gov.au)
- modernised national awards system with wide coverage 'modern awards'
- the Better Off Overall Test (BOOT) for assessing new enterprise agreements, replacing the No Disadvantage Test (NDT)
- all enterprise agreements have to pass the BOOT when compared to the applicable modern award
- individual workplace agreements (ITEAs - temporary replacement for Australian Workplace Agreements) can no longer be made then National Employment Standards (NES) replace the Australian Fair Pay and Conditions Standard and apply to all employees.

Contributed by Shane Bryan (Business Manager)



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UPCOMING GREEN TAYLOR PARTNERS SEMINARS

MYOB PAYROLL/YEAR END PRACTICAL SESSION

Wednesday 15th June, 7.00pm

A practical demonstration and review of the processes involved in performing the Year End functions in MYOB and preparation for the Payroll PAYG Summaries.

There is no charge to attend this workshop - Don't miss out... Reserve your place now!

To RSVP please email kelly.bellman@greentaylor.com.au or phone us on (03) 5382 4761.

SOCIAL MEDIA 101 FOR BUSINESS SEMINAR

Wednesday 20th July, 7.00pm

The new financial year has started and it's now time to kick start your marketing efforts! Social Media seems to be in the headlines regularly - What are you doing?

This seminar will cover:

- What is social media?
- Who are the dominant social media players
- How businesses are using social media
- What should you be doing, if anything, with social media

This is a GTP client only "Competitive Edge" Seminar. To RSVP please email kelly.bellman@greentaylor.com.au or phone us on (03) 5382 4761.

GTP SEMINARS NOW AVAILABLE ONLINE!



If you would like to attend a GTP seminar but cannot make it on the night, you can still listen in and participate from home! All you need is your computer and a Broadband Internet connection!

Contact us for details!

CAUTION

WATCH OUT FOR SCAMS! DON'T BE A SUCKER!

Given the complex nature of scams and the difficulty of policing international crime networks, ultimately it is up to business to be vigilant themselves.

You have to learn that if something looks or sounds too good to be true, it probably is!

Tips to avoid scams:

1. If you receive a call out of the blue with an offer of an investment, just hang up!
2. When paying invoices, check and read them carefully. Make sure you're paying for something you actually ordered.
3. If a representative from the Government phones, ask which department they're from, why they contacted you and look up the number in the White Pages and call them back.
4. If you receive an email or phone call advising you of a "windfall lottery win" or a grant and you are asked to pay a fee in advance to receive it, hang up or hit the delete button!
5. NEVER EVER give personal banking details over the internet. Never do banking in an internet cafe. Scammers will have inevitably downloaded all sorts of spyware to track keystrokes to learn your personal information.



Contributed by Natasha Gardner

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GTP Tit Bits

• Congratulations to Kelly & Josh who are busy planning for their wedding in Port Douglas in June. Kelly will be on annual leave for the month of June.



• We are very sad to announce Kate has decided on a career change and finished up with GTP in May. We wish to express our thanks to Kate for all her hard work. Her friendly smiling face will be missed around the office!



13th Annual Client Golf Day

We would like to thank everyone who participated in the 13th Annual GTP Client Golf Day on Friday 25th of March at Horsham Golf Club. A great time was had by all!

The drinks carts were once again popular and big thank yous must go to the Horsham Golf Club and the ProShop for their assistance on the day.



Restocking the much loved drinks carts

Our annual raffle raised \$470 for local charity Christian Emergency Food Centre and we thank Blue Seas Resort for donating the major prize of 5 nights at Cable Beach Broome! This prize was won by Andy Delahunty!!! Happy holidays Andy!

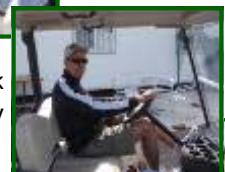
The winning Golf Team was Team No. 17 consisting of Andrew Cooney, Dennis James, Anthony Brook and Brad Plozza! Congratulations Guys!!!

If you'd like to attend next year please let us know - The more the merrier is our motto!



The Winning Team— Brad Plozza, Andrew Cooney, Anthony Brook & Dennis James

Matt on Drink Cart duty



Enjoying the day —Joseph Toy, Loreana Flack, Sue Olston & Colin Flack



DISCLAIMER: The information in this publication is provided for the sole use of the clients of GREEN TAYLOR PARTNERS. While every effort is made to ensure the accuracy of the information contained in this publication is correct, on no account should the publication be regarded as a substitute for professional advice.

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2011-2012 FEDERAL BUDGET SUMMARY

Important aspects that may effect YOU!

On Tuesday 10th May 2011, the Gillard Government brought down their first budget. The following is a summary of major taxation proposals:

Personal Tax Rates & Flood Levy

No changes to the current personal income tax rates other than to add the previously announced flood levy for one year commencing 1 July 2011. The levy is to be calculated as follows:

Taxable Income (\$)	Flood Levy
0 - 50,000	Nil
50,000 – 100,000	0.5% of amount exceeding \$50,000
100,000 +	\$250 + 1% of amount exceeding \$100,000

Removal of Low Income Tax Offset for Children

The Government will remove the ability of children under the age of 18 to access the low income tax offset ("LITO"). This offset has previously reduced the tax payable by minors on their unearned income such as dividends, interest, rent, etc. This measure is specifically targeted at discouraging distributions of income to children from discretionary trusts. In the 2010-11 year minors have been able to receive up to \$3,333 of income without being subject to income tax due to the operation of the LITO. With the introduction of this measure effective from 1 July 2011, minors will only be able to receive \$416 of unearned income before they commence paying tax.

No Claim for Deductions Against Youth Allowance

From 1 July 2011, an individual taxpayer will no longer be able to claim work-related expenses as deductions where income is derived only in the form of Government assistance payments. From this date, this proposed legislative amendment therefore negates the effect of the 2010 High Court decision of Commissioner of Taxation v Anstis where it was held that a student could claim a deduction for study expenses even though the student only received Youth Allowance while studying full-time. However, the Commissioner will still allow eligible taxpayers to receive an automatic deduction of \$550 or a higher amount if it can be substantiated in respect of the 2007 to 2011 income tax years.

Reduction of Discount for Prepayment of HECS

From 1 January 2012, there will be a reduction of benefits for taxpayers involved in the Higher Education Contribution Scheme (HECS) in that if students elect to pay their student contribution up-front, they will only receive a 10% discount (instead of the current 20% discount). If students do not pay their student contributions up-front, they will accrue the outstanding debt and only receive a 5% bonus (instead of the current 10% bonus) on any payments of \$500 or more towards the debt.

The Government will introduce a tax write-off for the first \$5,000 of any motor vehicle purchased by a small business from 1 July 2012. The write-off replaces the Entrepreneurs Tax Offset (ETO) incentive arrangements.

The new measure will provide the following:

- An "instant" write-off of the first \$5,000 of the purchase value of any motor vehicle;
- The ability to transfer the balance of the purchase value to the general small business depreciation pool (15% depreciation in year 1; 30% depreciation in subsequent years).

The Treasurer's Press Release on the measure states that the write-off is available to all small businesses. Eligible small business entities will include sole traders, trusts, partnerships and companies.

Fringe Benefits Tax

Over the next four years the Government will progressively replace the current statutory formula method of calculating the taxable value of a car fringe benefit with a single statutory rate of 20% to be applied regardless of the number of kilometres travelled in a year, as follows:

Distance travelled during the FBT year (1 April – 31 March)	Statutory rate (multiplied by the cost of the car to determine a person's car fringe benefit)				
	Existing contracts	New contracts entered into after 7:30pm (AEST) on 10 May 2011			
		From 10 May 2011	From 1 April 2012	From 1 April 2013	From 1 April 2014
0 – 15,000 km	0.26	0.20	0.20	0.20	0.20
15,000 – 25,000 km	0.20	0.20	0.20	0.20	0.20
25,000 – 40,000 km	0.11	0.14	0.17	0.20	0.20
More than 40,000 km	0.07	0.10	0.13	0.17	0.20

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Employers will still be able to use the operating cost (or 'log book') method for valuing car fringe benefits as an alternative to the statutory formula method.

Refund of Excess Concessional Super Contributions

Eligible individuals will be provided with a one off option to have excess concessional contributions refunded from their super fund and assessed as income at marginal rates instead of incurring excess contributions tax (which is applied at an effective flat rate of 46.5%). The one off refund option will be available if an individual has made excess concessional contributions of no more than \$10,000 in a year commencing from 1 July 2011. The measure will help fix small one off inadvertent errors where excess contributions tax would currently apply but does nothing to address the longer term design flaws in the current system. This is particularly disappointing given the strong and consistent message from industry that excess contributions tax was the number one priority for the Government to address in super.

Reduction in the Minimum Payment Amounts for Account-Based Pensions in 2011-12

The Government has announced that for the 2011-12 year individuals receiving an account based super pension will be required to draw 75% of the standard minimum pension. This is an increase from 2010-11 year where 50% of the standard minimum pensions was required to be drawn. The full standard minimum pension will be required to be drawn in 2012-13 and subsequent years.

Reporting Superannuation on Payslips

Employers will be required to report information on employee payslips about the amount of super contributions actually paid into the employee's super account. The reporting requirement will commence from 1 July 2012. The measure appears to be reinstating reporting requirements that applied up until 1 January 2005. In addition, employees and employers will receive quarterly notification from their superannuation fund if regular contributions cease after 30 June 2012.

Over 50's and \$50,000 Concessional Contribution Cap

The Government has confirmed its intention to allow taxpayers of the age of 50 years or more to retain a \$50,000 concessional contribution cap if they have less than \$500,000 accumulated superannuation entitlements. The current transitional concessional contribution cap of \$50,000 will cease to apply from 30 June 2012 and revert to the standard cap of \$25,000. From 1 July 2012, a higher concessional contribution cap may continue to be available depending on the individual's age and the amount of their superannuation entitlements. The Government has not provided details on how the scheme will be administered.

Tax Compliance Improvement Measures

The Government has announced various measures to improve tax compliance across various aspects of the economy. The following measures are expected to result in over \$1 billion in additional revenue. The proposed changes, which will seek to become effective from 1 July 2011, are:

1. Extending the application of Directors Penalty Notices (DPN's) to apply to superannuation guarantee amounts. DPN is a notice issued to the directors of a company requiring payment of certain taxation liabilities, most notably PAYG deductions, within 21 days. Failure to pay the amount within that 21 days or place the company into Liquidation or Administration within that time renders the directors liable for a penalty equal to the unpaid tax.
2. Personal liability for company directors for unpaid employee superannuation payments.
3. Prevention of directors or their associates from claiming the benefit of tax withheld unless those amounts have actually been remitted to the ATO.
4. Automatic personal liability for certain taxes that remain "unreported" after 3 months of becoming due.

We await with interest the precise wording of the amendments set out in point 4 above, as these measures are likely to have broad ramifications for a number of companies.

Reporting Taxable Payments

From 1 July 2012, the Government will require reporting on an annual basis of payments made to contractors in the building and construction industry.

Additional funding will allow the ATO to undertake data matching, review contractors' tax liabilities, perform targeted audits and assist with educating the building and construction industry about the new regime and their tax obligations. This sounds very much like the Prescribed Payments System that existed up until the 30th June 2000.

Should you require clarification of any of the above proposals, feel free to contact your advisor.

The Team at GTP

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