

THE QUINTESSENTIAL BRIEF

DECEMBER 2015 | Summer Edition

**Are you
embracing the
workplace of
the future?**

**Identity Theft -
How to protect
yourself**

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From the Desk



THE QUINN GROUP
Accountants, Lawyers and Financial Planners
Providing the Total Solution

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“Keeping the busy professional informed.”

MICHAEL QUINN

Welcome to the December 2015 issue of The Quintessential Brief.

In this newsletter we discuss a range of legal, accounting and taxation issues that are of interest to the individual and business owner.

It is important to regularly review your business' terms and conditions to ensure your business is covered by all aspects of the law. To make sure your business doesn't have outdated policies turn to page 4 – a must read for every business owner.

In this issue of The Quintessential Brief, our legal section focuses on how to protect yourself from identity theft at Christmas when your spending increases. Our second article discusses what you need to know about employment law.

In our accounting section, we have provided an article on the new \$20,000 depreciation rules as small businesses can now claim deductions for new assets. The ATO is paying closer attention to rental property deductions so we have put together a piece detailing tax deductions and expenses regarding holiday homes.

Our small business section features an article on measuring what your business is really worth. We also talk about the changes to new workplace environments outlining business trends of the future.

In marketing news, we feature a contribution from Clarity Marketing with two informative articles regarding marketing in the Christmas season. The first feature is about the pros

and cons of client Christmas gifts and in the second article we discuss some tips for event marketing during the holiday season.

We hope you find the information in this Quintessential Brief useful. If there are any legal, tax or accounting issues you would like us to write about in future editions, please contact us on (02) 9223 9166. Alternatively, you can visit our website www.quinns.com.au and submit an online enquiry. You can also register online to receive the latest legal, accounting and financial news updates each week via our Client EAlerts.

Kind regards,
Michael





Identity Theft - How to protect yourself

by Patrick Lopes

Identity theft is a type of fraud that usually involves stealing money or obtaining other benefits by pretending to be someone else. Identity theft can occur in a number of ways – from someone using your name to open bank accounts, take out loans, make purchases or conduct illegal business. There are a variety of steps that you can take to help protect your personal information from identity theft.

Online

- You should never reveal passwords or personal information online (such as birth date, full name, phone number etc.).
- If you use social media make sure that your privacy and security settings are set to only allow 'friends' to access your page.
- Always use secure websites when making purchases or transferring money online.

Post

- You can reduce the risk of postal fraud by installing a secure mailbox. If you go away on holidays, arrange for your mail to be

forwarded to the local post office.

- If you move into a new house, arrange for your mail to be forwarded and let companies (such as banks and utility companies) know your new address. Be alert for any missing mail.

Computer and Smart Mobile Devices

- Secure your computer and smart mobile devices with security software and strong passwords.
- Avoid using public computers for sensitive activities (such as accessing your online bank account).
- You should only open attachments from sources that you know are reliable.

Review

- Continuously review your bank and credit card statements to ensure that there are no unusual transactions.
- If you become aware of any suspicious transactions in your financial accounts

you should immediately inform your credit providers.

Secure or Eliminate

- Ensure that you keep all your personal documents (e.g. passports, birth certificates etc.) in a secure place at home.
- Always destroy any documents that disclose your personal information before putting them in the rubbish.

Caution

- Be cautious about requests for personal information over the internet, phone or in person.
- Be aware of scams that are currently occurring (www.scamwatch.gov.au).
- Investigate the arrival of new credit cards that you did not apply for, or bills for goods or services that are not yours.

If you need any further information in regards to the above article, give The Quinn Group a call on (02) 9223 9166 or visit our website www.quinns.com.au.

Employment Law - What you need to know

by Patrick Lopes

Termination

Termination of employment occurs when an employee's contract of employment with an employer comes to an end. This can happen because of dismissal, resignation or redundancy.

What is 'unfair dismissal'?

An employee is considered unfairly dismissed if the Fair Work Commission ("FWC") is satisfied that all of the following has taken place:

- The person has been dismissed
- The dismissal was 'harsh, unjust or unreasonable'
- If the employer is a Small Business, the dismissal has failed to comply with the Small Business Fair Dismissal Code
- The dismissal was not a bona fide redundancy

What is considered 'harsh, unjust or unreasonable'?

In determining whether the dismissal is 'harsh, unjust or unreasonable' the FWC takes in to account a number of factors, such as:

- Whether there was a valid reason for the dismissal
- Whether the employee was notified of the reason and given an opportunity to respond
- If the employer unreasonably refused to allow an employee to have a support person to assist in discussions relating to the dismissal
- Any other factors the FWC deems relevant

Redundancy

A redundancy occurs when an employer either:

- No longer requires an employee's work to be carried out by anyone, or
- The employer becomes insolvent or bankrupt.

A redundancy is considered bona fide when:

- The ex-employee's job is no longer required to be done by anyone
- The employer has followed any consultation requirements in the award, enterprise agreement or other registered agreement

It is not considered a genuine redundancy if the employer:

- Still requires someone to do the job, or
- Has failed to follow the relevant requirements to consult with the employees about redundancy under the award or registered agreement, or
- Could have reasonably given the employee another role within the employer's business or associated entity.

Notice

When an employer dismisses an employee, they are required to give them notice. The minimum notice period is dependent on:

- The employee's period of continuous service, or
- If applicable, the minimum period prescribed under an award or registered agreement.

When an employee resigns, they may have to give notice to their employer. The minimum notice required will be set out in the employee's award, employment contract, enterprise agreement or other registered agreement. If you need any further information, give The Quinn Group a call on (02) 9223 9166 or visit our website www.quinns.com.au.

important dates

2015

**19 December
NSW School
Holidays Begin**

**24 December
Christmas Eve**

**25 December
Christmas Day**

**26 December
Boxing Day**

**31 December
New Year's Eve**

2016

**1 January
New Year's Day**

**21 January
Quarter 2 (Oct – Dec 2015)
PAYG installment activity
statement due**

**26 January
Australia Day**

**28 January
Quarter 2 –
Superannuation
Guarantee Contributions
to be made**

**27 January
NSW School Holidays End**

**28 February
Quarter 2 (Oct – Dec 2015)
• Quarterly BAS due
• GST installment due
• PAYG installment due
• Superannuation
Guarantee Contributions
to be made**

Review your Business' Terms and Conditions

Keeping your business' Terms and Conditions up to date may not be at the top of your to-do list, but not keeping them up to date can leave your business open to serious consequences in the future. The law is constantly changing and penalties for non-compliance are increasing.

Have you considered what could happen if one of the following occurred?

- Claims are made against your business
- Your business' intellectual property is challenged
- Questions are raised about your terms of use
- A client makes a claim against your business

Don't get caught out with confusing or misleading Terms and Conditions – seek professional advice from a lawyer. For a fresh start, have your business' Terms and Conditions review today.

Our team of experienced lawyers at The Quinn Group can provide you with the total solutions for your business. If you are unsure as to whether your business' Terms and Conditions are compliant with the law, contact us on (02) 9223 9166 or submit an online enquiry to arrange a review.



What I'm reading

BY MICHAEL QUINN

The First 90 Days - Michael Watkins

"The President gets 100 days to Prove Himself – You Get 90".

That's the first line in *The First 90 Days*, and while that certainly creates a sense of urgency, I think another quote by Michael Watkins makes the best case for why you should read this book: 'When a new leader fails, it is a severe, perhaps career-ending blow to the individual.'

Now think about the sort of training companies provide. Have you ever attended a class on how to successfully start a new job? Probably not. And to make matters worse, the finite number of transitions in one's career makes it difficult to accumulate the experience needed to ensure success at these critical junctures. Just because you succeed at your previous position and that success paved the way for your move upward, that same skill set will not guarantee success with each increasing step of responsibility, new set of employees to manage or new global challenges to face. This is a primary reason *The First 90 Days* should be required reading for anyone starting a new job.

The emphasis of the book, apparent in its title, is on speed. If you have only ninety days to learn the ropes, then Watkins advises that you must celebrate your learning in the early days by talking with people both inside and outside the company.

The further you move up, the more your success depends on others.

Bottom line; understand that you have a new job. Watkins tells readers to 'promote yourself'. This may sound like a call to create a press release announcing your arrival, but what Watkins really wants you to do is understand the requirements of your new role and this means abandoning the tried and true. Don't coast on your previous successes. Prepare for early missteps and be ready to learn from those mistakes. Rebuild your set of advisers with individuals who can continue to help you grow. And be aware of peers who don't want to recognise you and your new responsibilities.

Accounting News

The new \$20,000 depreciation rules



by Julia Kharlamova

New laws have passed that allow small businesses to claim an immediate deduction for assets they start to use – or have installed ready for use – provided each depreciable asset costs less than \$20,000. This will temporarily replace the previous instant asset write-off threshold of \$1,000.

This measure starts 7.30pm (AEST) 12 May 2015 and will end on 30 June 2017.

Who is eligible?

Any business that meets the definition of a small business entity, that is one with an aggregated turnover less than \$2 million, may be eligible to claim an immediate deduction for the cost of depreciating assets acquired for less than \$20,000. This means you must be carrying on a business.

Assets costing \$20,000 or more

For depreciating assets costing \$20,000 or more, small businesses can elect to use the pooling arrangements and depreciate the cost of such assets at 15 per cent in the first year and a diminishing value rate of 30 per cent on the opening pool value each year thereafter.

What assets are eligible?

All assets (including new or secondhand) are eligible, excluding the following:

- Horticultural plants – subject to their own 'uniform capital allowance' rules (UCA);
- Capital works – subject to their own 'capital works' depreciation rules;
- Assets allocated to a low-value or software depreciation pool – subject to the depreciation rules under those pools;
- Primary production assets – you can

choose to use the specific UCA rules or accelerated depreciation rules; and

- Assets leased out to another party on a depreciating asset lease.

GST inclusive or exclusive?

If the entity is registered for GST, then the GST exclusive amount is taken to be the cost of the asset. Where the entity is not registered for GST, then the GST inclusive amount is taken to be the cost of the asset.

Trade-in vehicles

If you bought a car for \$25,000 with a trade-in value of \$9,600, requiring you to pay \$15,400, the asset still costs \$25,000; consequently, it cannot be immediately written-off.

Financing the purchase of an asset

To be eligible for a deduction the asset does not have to be paid for outright, it could be purchased under a financing arrangement. However, if you acquired the asset under hire-purchase or lease agreement, no deduction is available as the finance company owns the asset until it is paid off.

Software

An eligible small business from 7.30pm (AEST) 12 May 2015 can claim an immediate deduction for any software purchased off the shelf, costing less than \$20,000 that is used exclusively in the business.

If you have any queries please contact our office on (02) 9223 9166 or visit www.quinns.com.au.

Rental property deductions are under the ATO's spotlight

by Julia Kharlamova

As Australia's income tax system is based on self-assessment, the taxpayer is responsible for lodging tax returns which comply with taxation laws. You must show all your assessable income and that you claim only the deductions to which you are entitled. One of the two main targets of the ATO in this tax period will be rental property deductions, especially for holiday homes.

Holiday Homes

The deductions may be reduced for holiday homes where the home is rented out to family and friends at less than market value. Expenses incurred in respect of a rental property are deductible for the period only when it is rented out or available for rent. This means that the ATO will disallow the claim if there are no genuine attempts to rent the holiday home.

Apportionment of rental income and deductions between partners

If a husband and wife jointly own a rental property, each must include half of the income and expenses in their tax returns. Any agreement that the couple might draw up to divide the income and expenses in proportions other than equal shares has no effect for income tax purposes.

Claiming interest deduction for private portion of loans

If you take out a loan to purchase a rental property, you can claim the interest charged on that loan, or a portion of the interest, as a deduction. If a loan is obtained to purchase both a rental property and, for example, a private car, the interest on the loan must be apportioned into deductible and non-deductible parts.

Repairs and Maintenance

Expenditure for repairs you make to the property is generally deductible. It must relate directly to wear and tear or other damage that occurred as a result of you renting out the property. However, initial repairs for example, in remedying defects, damage or deterioration that existed at the date you acquired the property are of a capital nature and are not deductible.

Our tax accountants at The Quinn Group can assist you to avoid making mistakes. Contact us on (02) 9223 9166 or visit www.quinns.com.au.



Small Business News

What is your business really worth?

by James Zhou

Have you ever asked yourself what is your business worth? Not because you want to sell it. But if you have worked really hard to build up the business, you deserve to know how much it is worth in the market point of view. Be aware that if you cannot sell your business, all you have is just a well-benefit job with no value embedded.

Many small business owners believe they have established a great business with a "considerable profit" that leads to view of overestimated value. But often they fail to take into account that they forgot to pay themselves a salary for the past few years. So suddenly that business becomes less attractive to the market.

Historical financial data only show what you have achieved. Sustainable future performance of cash flow is the key component that makes a business attractive in the market's perspective. To build up a

valuable business, owners need to review all tangible, intangible and contingent factors, with the view to pinpoint the key drivers and focus them in their business plan.

In addition to the market growth, market competition, economic conditions and other external variables, the factors that really matter to the business value are those difficult and time-consuming to replicate by the competitors.

Goodwill and other intangible

Business goodwill reflects the synergy among the various assets developed within the business to produce income. Some industry-accepted valuation models do not factor such to reflect the business going concern value.

- Quality of the customer, which affect the business operating margin and profitability. Business owners could setup their differentiate service, priority and charge to various clients to maximise the profit.
- Customer loyalty and relations. These would affect the sustainability of business income stream and new business referral. This would reflect in sales trends and the valuation of customer list.
- Employee skill sets and loyalty, which affect their performance and customer satisfaction. With the aim to diversify the income source

and enhance customer experience, more and more business recruit a mix of experienced staffs to provide client one-stop integrated service.

- Brand recognition and business reputation. Lots of profitable small business highly relies on the owner's charming personality and their relationship with client. The power of branding and reputation would come into focus when the business operates without the principal.
- Quality of internal system and procedure. Good compliance, end-to-end record keeping and standardise process would help the business operate in a simple and effective manner that allow smooth transition to new business owner. This also affects the transferability of the business.

Business valuation is a combination of art and science. Reviewing the financial figures and performing add-back adjustments are just a starting point of the valuation. Business owners should contact a specialised consultant who is equipped with essential skills and industry experience in determining the fair market value of a business.

Should you have any concern about how to value and build a successful business, please contact the team at The Quinn Group on (02) 9223 9166 or visit our website www.quinns.com.au.

Are you embracing the workspace of the future?

by Bonny Withford

The expectations and demands of businesses are inevitably changing and the office environment is vastly different from the past due to new workforce generations. Businesses need to learn to adapt to modern workplace demands to succeed or risk becoming unappealing to employees and stakeholders. Here are five key trends that are shaping the Australian workforce of the future in the coming decades.

1. Demographic Diversity

As the aging population is increasing and we are living longer, in order to retire comfortably, we must work for longer. This means that there will be an increase in demographic diversity in the workforce which could cause problems for managers. Younger workers are impacting workplaces with flexibility, lifestyle and a different set of needs compared to older generations.

2. Flexible Workspaces

Future offices will become less corporate looking with an increase in natural lighting, larger spaces and flexible work areas. As we spend a third of our life at work, facilities need to support innovation, team collaborations and become an enjoyable environment to work in.

3. Upgrade Technology

Technological changes are only continuing to grow and innovative developments such as cloud-based software, wireless devices and digital channels are reducing the need for employees to physically be in the office and encouraging a wireless and paperless workplace.

4. Healthy Environment

As generations are working longer, workplace health and safety regulations must be adjusted to create a happier and healthier workplace.

Work environments must accommodate to disabilities, energy deductions and building codes to be compliant.

4. Sustainability

Corporate social responsibility is inevitably becoming an important demand in businesses as they have a significant contribution to greenhouse gas emissions. Businesses will be expected to play a greater role in fighting climate change and reducing carbon footprints with energy efficient workplaces becoming a standard regulation.

Every business needs to be aware of how they can change to adapt to these new trends. The Quinn Group provides a total solution to match each client's individual financial and business needs. We are here to help you grow your business and personal financial wealth. For advice and appointments, call (02) 9223 9166 or visit our website www.quinns.com.au.

Marketing News



Event Marketing Tips at Christmas

by Bonny Withford

Whether you are holding an industry event to launch a new Christmas product, promoting a client Christmas event or hosting a staff Christmas party there are many effective event marketing tips your company can use to make a lasting impression on your attendees, long after Christmas.

Event Page

Create an event page to promote the occasion on LinkedIn, Google+ or Facebook. LinkedIn events are great for industry or business events, whereas creating a Google+ event is great for a smaller staff event as it enables automatic email invitations and reminders.

Hashtag

Creating a hashtag for your event and asking attendees to use the hashtag is an easy way to monitor conversations people are having about your event and finding photos posted from the occasion. The same hashtag can be used on multiple social media platforms such as Twitter, Instagram, Facebook and Google+ and can be used before, during and after the event. Establishing a hashtag can help create a buzz surrounding your event and help you to track feedback after the event ends.

Social Sharing

Promoting your event on multiple platforms is important as not all potential attendees use the same social media platforms. Taking time to

share your event across numerous accounts will broaden your reach. During and after the event, post photos and videos on Google+, Twitter, Instagram, Facebook and Pinterest, and share other attendee's posts to create a long-lasting impression.

Updates

As you plan more elements of your event, use your social media platforms and website to announce the latest news and updates for attendees to look forward to. Don't stop promotions as soon as your event starts; be responsive on social media by answering questions and share updates with photos on all of your accounts using your event hashtag throughout the event.

Photos

Depending on the type of event, one last tip is to designate an area for taking photos with a backdrop of your brand logo. This will encourage customers, clients and staff to take photos and share them on their social media accounts - every picture is a branding opportunity.

Regardless of your budget or event size, Clarity Marketing and Communication can create and coordinate professional and memorable events that achieve your communication objectives. For more information, contact us on 1300 060 204 or visit our website www.claritymarketing.com.au.

Client Christmas Gifts

by Bonny Withford



Christmas is a great time to show your clients that you appreciate them and value their business. Client Christmas gifts will keep your business at the top of your client's minds and help to build a relationship.

What to Give

- **Hampers.** Put together a smart gift basket for your most valued clients.
- **Experience based gifts.** Memorable and don't have to be expensive. Movie vouchers, restaurant gift cards, or tickets to sporting events may be appropriate depending on your client's preferences.
- **Wine, liquor and food items.** Popular as gifts, they can be taken home and enjoyed with friends and family over the holiday season.
- **Christmas Themed Gifts.** Send your clients something they can use to decorate their home or workplace this holiday season such as a personalised Christmas decoration or bauble.

Etiquette

Client gift giving allows you to get creative and festive at Christmas however ensure your gift is appropriate to the business relationship you have with your clients, reflects your business' personality and is presented and wrapped professionally. Choose whether or not to customise your Christmas gift by including your company logo.

Pros and Cons

There are many advantages of corporate gift giving - it will reward clients for their loyalty and allow your company to stand out from the competition. Personalised gifts often show clients that they are appreciated as a person and not just business. Even though client Christmas gifts can sometimes become expensive and may require a great deal of effort to organise, gift wrap and send, it allows your business to celebrate the season of Christmas by giving the gift of giving.

Clarity Marketing can develop a targeted marketing and communications strategy to meet your business needs. Please don't hesitate to contact Clarity Marketing and Communication on 1300 060 204 or visit our website www.claritymarketing.com.au.

clarity
marketing & communication

Suite 103, Level 1, 105 Pitt St Sydney NSW 2000
E: info@claritymarketing.com.au
www.claritymarketing.com.au

THE QUINN GROUP

Quinns this year...

In July, the team at The Quinn Group gathered for our annual team building day 'Quinns Big Day Out'. On a day trip away from the office, we spent the morning at the Panorama house for coffee and scones then ventured on a road trip down the coast to Coolangatta Winery.

We were taken on a surprise Segway tour through the winery and golf course while others sat back and enjoyed some wine tasting and lunch. The adventurers of the group strapped on our helmets and zoomed through the beautiful scenery... some coming back with bruises! It was great to see the whole team at The Quinn Group come together for a fun and adventurous day full of laughs.

On Melbourne Cup day The Quinn Group spent the afternoon at Cyren Bar and Grill, Darling Harbour. We enjoyed a delicious three course meal, shared a few drinks and placed some bets. Congratulations go to Ash, Agnese and Deb for winning the office sweeps!

We look forward to celebrating the festive season together at our Christmas drinks.



Staff Profile

PATRICK LOPES



Position... *Paralegal*

The best thing about my job is...

I get to undertake a large variety of legal tasks which are not only challenging but also rewarding.

I love coming to the office everyday because...

The office environment is friendly and everyone is very helpful.

When I am not at the office my favourite thing to do is...

To go to the gym or play basketball.

On my last holiday I went to...

Spain, Netherlands, France and Greece.

The last movie I saw was...

The Fast and the Furious 7.

Quinns in the Community...

This year, The Quinn Group decided to sponsor the Lara Jean Association supporting families with children who suffer from rare genetic disorders. We supported their major community project 'Magic Mayhem' at Sutherland Entertainment Centre for local special needs children to enjoy a fun-filled day of games, activities and prizes.

If you would like to learn more or support this charity, visit www.larajejanassociation.org.au



THE QUINN GROUP
Accountants, Lawyers and Financial Planners
Providing the Total Solution

For any assistance please contact Quinns on 1300 QUINNS (784 667) or email info@quinns.com.au

The Quinn Group is an integrated, accounting, legal, and financial planning practice, offering expert advice to help you achieve your business and personal goals. With more than 20 years professional experience, we are committed to building long-lasting relationships and providing you with superior client service in a timely and cost-effective manner. We offer our clients the unique opportunity to receive both financial and legal advice, at four convenient locations around Sydney and at times that suit you.

- **SYDNEY:** Level 1, 105 Pitt Street ■ **SUTHERLAND:** Level 3, Endeavour House, 3-5 Stapleton Avenue
- **NEUTRAL BAY:** Level 3, 156 Military Road ■ **PENSHURST:** 3 Laycock Road

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