

THE QUINTESSENTIAL BRIEF



“Keeping the busy professional informed.”

MICHAEL QUINN

Well 2009 has well and truly begun, almost a quarter over already! Whilst it seems like an eternity ago, we hope that you all had a chance for a little rest and relaxation over the break and spent some well earned time with family and friends.

As we get back into the swing of things it would seem we have more to be grateful for than we probably realise. The recent devastating fires in Victoria and dramatic floods in Queensland are a stark reminder of how lucky we are. Whilst some of our fellow countrymen (and women) are doing it very tough right now it is heart warming to see the support and compassion from the rest of Australia and the world. Our ability to pull together in tough times is certainly something we can be proud of and our thoughts are with those who were affected by the tragedies.

From a financial point of view, not a lot has changed in our country, or in the world, since the end of last year. On the home front, interest rates and economic growth are still at remarkably low levels. However, the Rudd Government's \$42 billion rescue package – set to address employment, infrastructure and stimulate both short term and sustained growth – shows that there is certainly a proactive approach to getting the nation back on its feet. Hopefully the proposed stimulus activities will have the intended positive effect and provide a welcome relief for consumers across the country.

In March 2009, this edition of The Quintessential Brief includes information on a range of topical legal and tax issues. Fringe Benefits Tax is payable by 21 May 2009. Inside you will find some general questions to help you determine if you may be liable

for Fringe Benefits Tax this year. There is some tips on what you can do to legally minimise the risk of your business being audited. This edition also includes information on recent changes to fees and payment of land tax and other NSW duties and some helpful hints to help get every business through these tough economic times.

We hope that you find this newsletter beneficial. If there are any legal, tax or financial planning issues that you would like us to address in future editions, please contact us on 1300 QUINNS or info@quinns.com.au. You can also email us if you would like to receive the latest legal, accounting and financial news update each Monday morning via our Weekly Client Alert.

On behalf of all of us at Quinns, we hope that your year is off to a great start and we wish you all the best for a fantastic 2009!

Regards
Michael



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

MARCH 2009

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Legal

Hints to get your business through tough economic times

The harsh economic climate does not necessarily mean the end of your business, and although it may seem hard to believe, it is certainly not all about tightening the belt and cutting costs from wherever possible. As a business owner, there are some simple steps that you can implement across all areas of the business to help you keep your business on track and get the edge on your competitors.

These are just some of the areas that you can look to address:

Staff: In times of slow growth it seems that the first action is often to cut staff levels in order to cut costs. Whilst this can be a quick fix from a financial point of view, you should also consider how this may affect staff morale and the motivation of those that remain in the workplace. In the long run, it may be worth considering using this slow time as an opportunity to invest in staff training, thereby further increasing each member's value to the business.

Marketing: This is also another area that is readily looked at as a starting place to make budget cuts. Actually, marketing should be relied on more than ever in tough times. As competition in the marketplace gets tougher and businesses are vying to gain and maintain customers, it is important to maintain your business' presence. It is well known that it is considerably harder to obtain new customers than it is to maintain existing ones. Make an effort to let your customers know that you are still very much in business and ready to help them with the same level of service that they have come to regard you for.

Accounts/Finance: It is particularly important to address current cash flow. Have a look at your debtors and work hard to ensure that not only do they pay on time but that they are secured as customers. Losing a large client can be devastating to the business. Take the time to look at you current creditors and suppliers. You may be able to reduce your costs by negotiating new terms with suppliers or finding a different source that can provide the same service for a reduced fee.

Lastly, get help! If you can see holes developing in your business and don't know what to do about it, or perhaps you don't even know where to start looking for the holes, seek the help of a professional. The Quinn Group can provide you with a range of legal, accounting and general business advice to help you make it through these uncertain times. Contact us on 1300 QUINNS to speak with one of our professionals.

Reduce the risk of your business being audited

Perhaps on one the most unnerving things for a business owner is to be audited. Audits can be extremely time consuming and expensive, not to mention stressful.

The range of areas that a business could be audited for are varied, ranging from taxes such as GST and Payroll to Workers Compensation Insurance and Occupational Health and Safety. It is also important to understand that different types of audits are controlled by various state and federal regulatory bodies.

There are some simple measures that business owners can implement to ensure that they are adhering to the tax office and other regulatory body requirements, and can help to legally reduce their chances of being audited.

- Ensure that your business is registered for the appropriate taxes.
- Advise the relevant organisations of any change of contact details in a timely manner. This will ensure that you don't miss any important information and are

- easily contactable should you be audited.
- Keep accurate and up to date records, especially unusual or infrequent transactions, to avoid unexpected Gains Tax.
- Only claim what you know you are entitled to.
- Use only legitimate business expenses.
- Be diligent and ensure that all tax returns are lodged on time.
- You can pay the minimum tax, but be sure to always pay what you owe, that continually report on your business to meet target for audits.
- Never "back date" documents.
- Employ the resources of a professional and/or tax advisor. The professional will deal with general and ongoing tax issues in your situation and also assist you to:
- o Undertake a risk assessment.



Legal

Land Tax and Duties Update

In its mini-budget released late last year the NSW Government announced several changes in relation to Land Tax and other State based duties.

Some of the most notable changes include:

New premium land tax marginal rate – for the 2009 land tax year (1 January 2009 – 31 December 2009) if the combined value of all taxable land that you own is more than \$2.25 million the new premium land tax marginal rate of 2% will apply. The current rate of 1.6% still applies for taxable land values below the premium rate threshold. For the 2009 land tax year, eligible taxpayers may not need to pay land tax if the combined value of their land is below \$368,000.

Deferred abolition of duties – the impending abolition of the following duties has now been deferred until 1 July 2012: marketable securities duty on unquoted marketable securities including transfer of shares in share management fisheries, transfer duty on non-land business assets and any remaining mortgage duties. For borrowers who are natural persons, mortgage duty for owner occupied housing and investment housing has been abolished since 1 September 2007.

Increase in nominal duties – fees for the processing of a range of documents were formerly \$2 and \$10. Effective 1 January 2009, these nominal duties will be increased to \$10 and \$50 respectively. Additionally, the duty payable on the execution of trust documentation and some other documents will be increased from \$200 to \$500.

As with all legal and accounting requirements it is extremely important that you speak with your lawyer or accountant if you are not sure which rates, exemptions and duties apply to, and may be payable by you. Failure to pay the correct amount of land tax can have serious consequences.

For more information in relation to the recent land tax and duty changes, or for advice on a range of legal issues, contact The Quinn Group on 1300 QUINNS.

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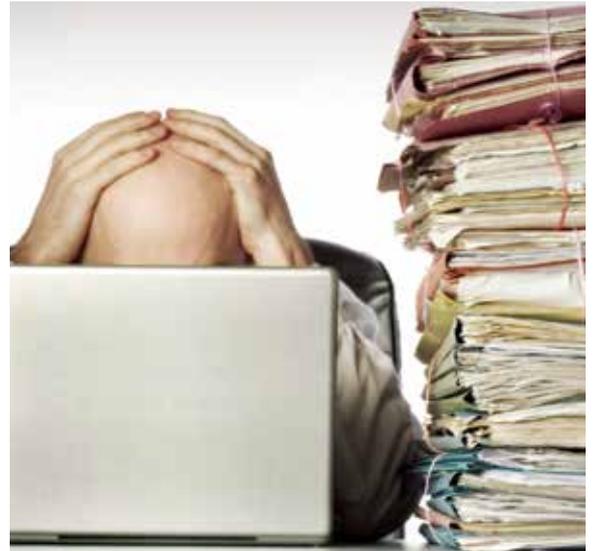
ould the need arise.
equate records – especially for
ransactions, such as Capital
ow is a genuine tax deduction.
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assessment review to identify

areas that could potentially trigger a problem, and
a possible audit.

- o Provide reliable taxation advice on any significant tax issue, particularly in relation to transactions that involve a significant amount of money.
- You should also contact a professional if you are having problems meeting your current obligations, they may be able to help you address the situation before it escalates.

Remember, even if you follow the above tips, this does not guarantee that you can completely avoid being audited, although it will definitely help to make the process a lot easier should you find your business in that situation.

If you would like more advice on how to operate your business to avoid unnecessary auditing or if you have been issued with an audit request please contact us on 1300 QUINNS and speak to one of our accredited accountants and auditors.



Accounting



Accounting

Do you have an FBT liability this year?

The Fringe Benefits Tax (FBT) year ends on 31 March. Payment of any necessary FBT is due by 21 May and eligible benefits that are paid must be recorded on employees' payments summary for the income year ending 30 June of the same year. FBT is a tax paid by employers on the value of certain benefits that have been provided to their employees or employees' associates in relation to their employment. These benefits or 'payments' are considered separately to salary or wages. As a business owner, it is your responsibility (in association with your accountant) to determine whether you have provided fringe benefits to your employees during the course of the FBT year, and consequently, whether you are liable to pay FBT on those benefits. The questions below can help you to determine whether you may have an FBT liability.

In the FBT year, since 1 April 2008 have you:

- made car or other vehicles owned or leased by the business available to employees for private use?
- provided loans at reduced interest rates to employees?
- released an employee from an owed debt?
- paid for, or reimbursed, a non-business expense incurred by an employee?
- provided a house or unit of accommodation to your employees?
- provided employees with living-away-from-home allowances?
- provided entertainment by the way of food, drink or recreation to your employees?
- put in place a salary package arrangement for any employees? Or had any employees on existing salary package arrangements?
- provided your employees with goods at a lower price than they are normally sold to the public?

If you have answered yes to any of the above questions you may be liable for the payment of FBT. If you have any questions or would like further advice in relation to your business' FBT liabilities contact The Quinn Group on 1300 QUINNS.

Staff Profile

STEVEN SUN



Position... Accountant

The best thing about being an accountant is...

that we speak in numbers!

I love coming to the office everyday because...

I am able to experience a range of tasks. Everyday I am faced with different challenges and have the opportunity to provide clients with solutions to their problems.

When I am not at the office my favourite thing to do is... *Reading and networking. I enjoy talking to people and learning from them. Sharing experiences and knowledge.*

On my next holiday I am going to...

Singapore & Hong Kong

On my last holiday I went to...

Byron Bay



important dates

17 March
St Patrick's Day

10 April
Good Friday
NSW School Holidays Begin

12 April
Easter Sunday

13 April
Easter Monday

25 April
Anzac Day

27 April
NSW School Holidays End

28 February
Quarter 2 (October – December 2008)
• Business Activity Statement due
• GST instalment due
• PAYG instalment due
• Superannuation Guarantee Contributions to be made

21 May
Fringe Benefits Tax due



At Quinns This Quarter...

Well, whilst it was some time ago, we certainly did our best to enjoy the holiday season here at Quinns.

We had our office Christmas Party on Friday 12 December. After exchanging "Secret Santa" gifts at the office, we headed out for a lovely dinner at El Bulli Spanish restaurant in Surry Hills. We all ate way too much, and had just a few celebratory drinks of course, for what was a fantastic night and full of fun.

We all took advantage of the break to venture places other than the bus stop, the train station, home and the office! We had people travel to places as far away as China, Fiji, Thailand and South Africa and as close to home as Kiama and Marulan.

More recently, Michael celebrated a personal milestone and in sticking with a tried and true office tradition, some of the City office staff celebrated with a round of gourmet cupcakes!



spotlight

RICHARD MCINTOSH



Name of your business?
Appserve Pty Ltd
www.appserve.com.au

What does your business do?
We host all versions of MYOB accounting software.

How long have you been operating?
5 years

What distinguishes your business from your competitors?
We are an Authorised MYOB Hosting Partner.

When I started this business I wished I'd known...

How big the market was for our product. We have clients all around the world connecting to their MYOB accounts. They are doing their normal daily work faster and knowing that they no longer have to worry about inhouse IT hardware or backups of their important data.

Best business advice anyone has given you?

Nothing ventured... Nothing gained.

What do you think the key to your success has been to date?

We pride ourselves on quick response customer service which, in turn, generates a great number of referrals.

For any assistance please contact Quinns on 1300 QUINNS (784 667)

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 five 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 ▪ PENRITH: 51 York Road ▪ PENSURST: 3 Laycock Road

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