

David J. Gibney Pty Ltd

Welcome to our first newsletter. Our firm has taken a new approach in communicating with you as our valued clients. We are pleased to offer you our newsletter to keep you informed with new developments in business and tax.

Information for Individuals – Reminders!

Tax Bonus Payment

If you are eligible and intend to receive tax bonus payment, you need to lodge your 2008 tax return by 30 June 2009. The amount of tax bonus is \$900 if your taxable income is up to \$80,000. The amount is reduced to \$600 and \$250 if your taxable income is up to \$90,000 and \$100,000 respectively. If your taxable income is more than \$100,000 you are not eligible for tax bonus. To meet the eligibility criteria you must be an Australian resident for taxation purposes for 2007/2008 year and have adjusted tax liability for 2007/2008 year.

Education Tax Refund

If you intend to claim Education Tax Refund (ETR), you have about 3 months to prepare the list of your eligible ETR expenses and compile the receipts. Eligible education expenses include: costs of computers and computer-related equipment (printer, USB flash drive), educational software (including word processing and spreadsheet software), school textbooks and prescribed trade tools (for school-based apprenticeship). The maximum ETR you can claim is 50% of eligible expenses up to \$750 for each eligible primary school child and \$1,500 for each eligible secondary school child. Certain criteria apply to determine the eligibility of your child.

Information for general businesses

Proposed Investment Tax Break

As part of \$42 billion economic stimulus package, the Federal Government introduced tax benefit for business investment to encourage capital investment by Australian business announced on 12 December 2008.

The tax benefit will be in the form of an additional tax deduction available to businesses incurring capital expenditure. This one-off deduction can be claimed in addition to the usual capital allowance deductions available in respect of depreciating assets. The amount of additional deduction that can be claimed is 30% or 10% of eligible depreciating asset depending on when the asset is acquired.

Threshold and eligibility

- ⊙ Small businesses (annual turnover of \$2 million or less) will be able to claim additional deduction of 30% of eligible depreciating asset costing \$1,000 or more acquired between 13 December 2008 to 30 June 2009.
- ⊙ For assets acquired between 1 July 2009 and 31 December 2009 the additional deduction available will be 10% of eligible depreciating asset costing \$1,000 or more. The acquisition date requirement will be satisfied if a binding contract to acquire the asset is entered into or construction of the asset commences between the dates indicated.
- ⊙ Larger businesses (annual turnover is more than \$2 million) will be entitled to claim additional deduction at the same rate but with a higher threshold of eligible asset cost of \$10,000 or more.
- ⊙ The additional deduction will be available in respect of tangible assets used in carrying on a business for which capital allowance deductions will be available. Certain assets excluded from this measure are land, trading stock, horticultural plants, capital works, intangible assets (such as intellectual property rights) and cars in respect of cents-per-kilometre method.

The draft legislation regarding this tax benefit for business investment has not yet been considered by Parliament.

If you need further information or to discuss your specific circumstances, please call David or Andy at our office.

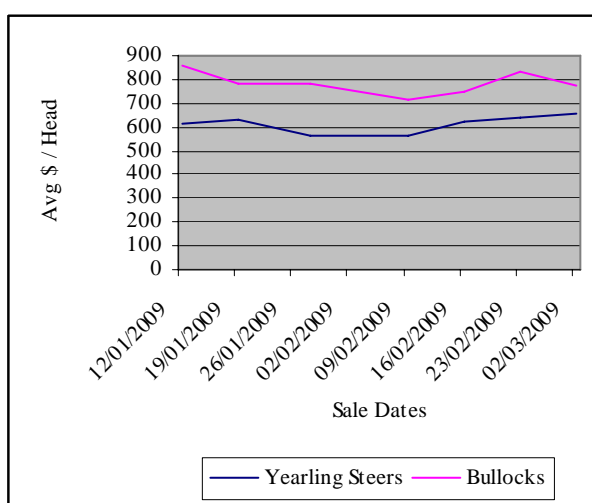
Information for primary production businesses

Cattle Industry Updates

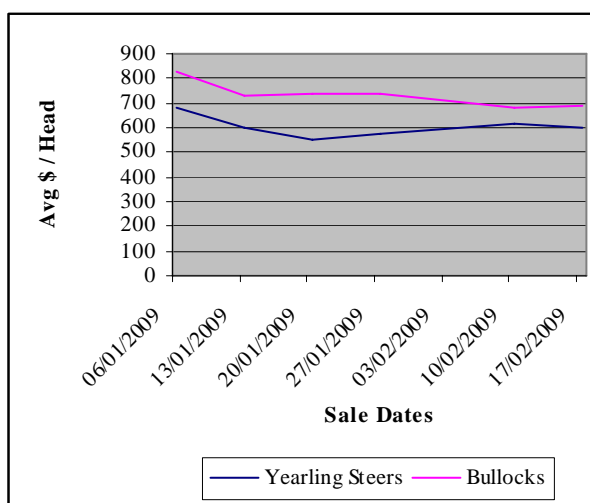
- ⊙ Global economic downturn has a silver lining as well. Meat & Livestock Australia projected that a 20% decline in Australian dollar would generate a 13% increase in cattle prices.
- ⊙ MLA also forecasted that beef shipments to US may rise by 38% this year to 325,000 tonnes.
- ⊙ Due to prolonged drought, Victoria's herd is now at 15 year low.
- ⊙ Cattle herd in northern Australia is expected to rise to 17 million while the one in southern is expected to drop to 11.5 million.

Market indicators

Figures below show movement of average price per head of Yearling Steers and Bullocks in Pakenham and Shepparton



Pakenham



Shepparton

Yearling Steers live weight between 330 kg – 400 kg, average muscled and fat score between 3 mm – 12 mm.
Bullocks live weight between 400 kg – 500 kg, average muscled and fat score between 7 mm – 12 mm.

The material in this newsletter is for general information only. Independent advice applicable to any specific circumstance must be sought. While all reasonable care has been taken, no liability is accepted for incompleteness or inaccuracies of the information contain in this newsletter.

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