



Winter is well and truly upon us and the only option is to stay inside and catch up on your bookwork! (& go to the footy) The information regarding the budget is included and unfortunately many of the Henry Review's recommendations have not been implemented. As is now a long standing budget tradition for both parties; they have removed a series of rebates and payments that people do not understand and replaced them with a new set, then presenting it as a budget initiative. This budget seems to be a grab for money to achieve the government's projected small surplus. Unfortunately long term planning for Australia's good tax policy and law has been a casualty.



Our team is growing

Sean Malloy has commenced with our firm last month for three days per week. He is from Mt Macedon and attended school at Sacred Heart in Kyneton before achieving a double degree in commerce and science. He is employed to assist Joedy and is set to commence his studies to become a chartered accountant next semester.

Property Seminar date for your diary

We haven't run a property seminar since July 2011 so we have one scheduled for Tuesday 10th July 2012 at 7pm. Topics that will be addressed include deductions, repairs vs capital expenditure, CGT, ownership options & subdivision issues. These issues are explained to assist you to plan the best financial and taxation structures for your property investment. As always, David's easy to read notes will be available in the take home package. Supper will be provided and you will be able to ask questions within the interactive forum.

Budget Measures dropped from 2010-2011 Budget

Previously announced measures to be dropped include standard deductions provided to individuals for work related expenses and the costs of managing their tax affairs. The second change is a 50% tax discount for interest income. It has also ruled out implementing the planned company tax rate cut and the early start to the company tax rate cut for small businesses.

Tax Shock for Non Resident Investors

Non-resident Individuals and Trusts will no longer benefit from the 50% discount on capital gains accrued after budget night. For non-resident Individuals and Trusts with capital gains accrued before budget night the CGT discount will still apply. We are advising our affected clients to obtain a market valuation of the relevant assets as at 8th May 2012.

Over 50? - Your Tax Deductible Superannuation Contributions have dropped to \$25,000

The maximum tax deductible superannuation contribution for everyone will drop to \$25,000 from July 2012. If you are over 50 this is an incredible drop from over \$105,000 in 2007 to \$25,000. This is a short term grab for extra tax revenue that will damage the retirement savings plans of middle Australia. Most people are not in a financial position to put extra funds into superannuation until they are in their fifties, so they will only be able to make extra contributions after paying tax at their marginal rates. There are still large tax breaks available with superannuation so ring David to discuss your planning options.

GST & Compulsory 9% Compliance – the Tax Man is Coming!

The ATO has been allocated an extra \$182.8 million over the coming years to target tax evasion and avoidance as well as improving the management of outstanding tax debts and superannuation guarantee charges. They have abandoned their Mr Nice Guy approach that commenced with the GFC. We have already seen activity to get BAS returns and super guarantees lodged and this is likely to increase even more.

David J. Gibney Pty Ltd

Increase in Superannuation Contributions Tax for Income over \$300,000

From 1 July 2012 contributions tax will increase from 15% to 30% if your income exceeds \$300,000. Fortunately the tax exemption on pension fund earnings will remain unchanged.

Phase out of Mature Age worker offset

For taxpayers born on or after 1 July 1957, the mature age tax payers offset will be phased out. The government will replace the offset with a jobs bonus of between \$1,000 to \$10,000 directly to employers who recruit and retain workers aged over 50 for more than three months.

Have a Seat at the Table with one of our clever clients



Talented local contemporary furniture maker David Emery has been making unique pieces from his studio in Kyneton for three decades. His experience working with architects has produced an impressive portfolio of designed commissions for Parliament House - Canberra, Tarrawarra Museum of Art, the CH2 Reception for Melbourne City Council, St Mary's Cathedral - Perth as well as the desk in David Gibney's office! He designs his own pieces as well as being able to bring others concepts to life. Utilizing timber as his first love but also working with metal and glass he brings a



lightness and grace to private commissions. For further evidence of his finished products www.davidemery-furnituremaker.com.au

On your bike....

Many of you know that David Gibney was passionate about running. The hip replacement last year put paid to that career but he has recently found a new interest – cycling. He participated in the Murray to Moynes Fund Event raising funds for local charities (Windarring Disability Support, Ray M Begg - Aged Care & Ambulance Auxiliary) within Kyneton during April. It was a team relay event within a 24 hour period and he raised over \$1,000 and his team is aiming to donate over \$10,000. Next year he will be better prepared and we invite donations from our network to support those in the community that these charities support.

Extra Pain for Private Health Insurance Rebates & Medicare Levy Surcharge

After repeated failed attempts, the government was finally successful in passing a proposal for the reduction to the Private Health Insurance (PHI) rebate starting 1st July 2012. If you earn over \$84,000 per single or \$168,000 for couples the rebate starts reducing until it is zero at \$130,000 for individuals or \$260,000 for couples or family. The Medicare Levy Surcharge will rise from 1% to 1.5% for higher income earners. The threshold levels are the same listed above for Private Health insurance rebates.

Our energetic, knowledgeable and caring approach gives peace of mind.

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

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David J. Gibney Pty Ltd
10 Baynton Street PO Box 601
Kyneton VIC 3444
Tel: (03) 5422 6480
Email: gibneydj@netcon.net.au