

## September 2013 Newsletter

While it is officially Spring and we can anticipate warmer days ahead, the restriction of keeping indoors is a good opportunity to get your financial affairs up to date before the days become longer and we have good excuses to be outside. In this issue we have two seminars to advertise including Property on 15 October. Both start at 7 pm and run for 1 hour. Supper afterwards gives you a chance to ask questions of David.

We have had much feedback following on from our evening Seminars. The consistent theme is that while we are educating our clients about putting as much into superannuation as they can possibly afford for a comfortable retirement, nothing has been mentioned about the stage of life where you may be investigating aged care options and the financial costs involved. This request has really come about from those of you who have parents in this situation and would like some advice about what steps their parents will need to take as part of this process as well as preparing for their own future. To this end we have developed the Aged Care Seminar and the first one will be run on 26 March 2014. Flyers are attached for both seminars and all are welcome. Please register your interest with Joedy or Julie-Anne at the office.

### ***ATO Tax Refund charges***

For those of you who have already lodged a tax return and received a refund, you would have noticed that that ATO no longer issues cheques through your accountant as all refunds are transferred directly into your bank account. From 30 June 2013, your bank details are required to be included with the associated paperwork at the lodgment stage. For this reason and in order to minimize administration costs, we have stipulated that all Individual Tax Returns require payment prior to lodgment.

### ***Our Clever Clients - Australian Movie Livestock***



Right here in the Macedon Ranges is a company Australian Movie Livestock which has a background of training animals (particularly dogs and horses) for use in media and the film industry. Evanne Chesson has converted her passion for the animal world into a business for over 40 years and manages a menagerie from her Spring Hill property. Her most notable international film included providing horses for stars Nicole Kidman and Hugh Jackman for the film "Australia" as well as other famous Australian stories including Phar Lap, Breaker Morant, Ned Kelly and Evil Angels but she has also coached animals for

Television and advertisements. Evanne has an AFI award for services to the entertainment industry. Together with her partner Bruce Gleeson, they will be leading trail rides throughout the Wombat State Forest shortly. Keep an eye on the website for more details. [www.australianmovielivestock.com.au](http://www.australianmovielivestock.com.au) Shepherds Hill Farm

### ***Where's my super????***

Throughout our working life, it is now estimated that we will have five careers. Since you are likely to move around and

become multi-skilled, it is quite possible to lose track of super payments. There is now a website where you can register to check the last two years payments, find your lost super (including that accumulate on your behalf by the ATO if they can't find you), and transfer it into your preferred super fund. If you've changed your name, address or job, it is quite possible that you could several super accounts set up meaning that fees and charges are reducing your overall super investment.

<http://www.ato.gov.au/Calculators-and-tools/SuperSeeker> If you want some sobering news from Smart Company on the latest statistics of what you will require to support your retirement, click on the following link

[http://www.smartcompany.com.au/financial-services-and-insurance/057679-how-much-superannuation-you-need-to-retire-comfortably-and-three-other-gems-from-deloitte-s-superannuation-report.html?utm\\_source=SmartCompany&utm\\_campaign=565f662c1f-Tuesday\\_24\\_September\\_201324\\_09\\_2013&utm\\_medium=email&utm\\_term=0\\_234118efee-565f662c1f-93057998](http://www.smartcompany.com.au/financial-services-and-insurance/057679-how-much-superannuation-you-need-to-retire-comfortably-and-three-other-gems-from-deloitte-s-superannuation-report.html?utm_source=SmartCompany&utm_campaign=565f662c1f-Tuesday_24_September_201324_09_2013&utm_medium=email&utm_term=0_234118efee-565f662c1f-93057998)

### ***What Small Business can expect from a new Government...***

In a nutshell...

The asset write-off threshold of \$6,500 introduced with the carbon tax will be abolished and the previous \$5,000 level. Previously, vehicles costing over \$6,500 could have the first \$5,000 written off instantly plus the usual first year depreciation. We expect that it will still be possible to claim the higher depreciation levels for this financial year, or at least until the Federal budget due next May. So if you are considering upgrades it may be wise to do them sooner rather than later. The problem with this is that it discriminates against small business as they are the only ones eligible for this concession.

The new government will not proceed with the changes to FBT rules for motor vehicles, which was to set be implemented by the former government. This means that the tax advantages of running low cost cars through your business or salary sacrificing via your employer remains; contact David if you wish to discuss this further.

Introduction of parental leave system with 26 weeks at own pay rate including super. This will be funded by the government through a 1.5% levy on businesses with taxable income above \$5 million.

The Fair Work system remains although unions have less right-of-entry allowances and reinstatement of Building & Construction Commission. Widening conditions under Individual Flexibility Agreements can be negotiated.

HECS-style apprenticeship support scheme for up to \$20,000 over 4 years for tools and equipment with a discount for completion of training.

The NBN will continue to roll out fibre cable to the node, however the coalition plan will utilise the current copper connections between the node and each home. Individuals will need to pay several thousand dollars to get fibre from home or business premises to the node.

At this stage the new government is saying it will not increase the GST rate. With the falls in government revenue and extra spending this will be hard to maintain in the medium term. Remember Australia has relatively low consumption tax rates and every other county in the world that has introduced them has increased it.

### ***Keep out of trouble or it will cost you in more ways than one...***

The tax office has increased the value of a penalty unit from \$110 to \$170. This is the first rise since 1997 and applies from 28 Dec 2012, so make sure all your returns and lodgments are done on time.

### ***Net Medical Expense Tax Offset***

For the 2013 financial year the threshold for medical expenses increased to \$2,120. The offset will now be means tested to

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determine the level of offset. It will remain at 20% for singles and families with an adjusted taxable income below \$84,000 and \$168,000 respectively, however offset reduces to 10% for individuals and families over this threshold. It is important to note that to claim the offset in the 2014 financial year it must be claimed in the 2013 financial year. This phase out does not apply to disability aids, attendant care or aged care expenses until 1 July 2019.

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

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

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