

Chartered Accountants

Business **in focus**

Monthly audio program > presented by Michael Schildberger

October 08



The extras



Chartered
Accountants

IN NUMBERS



All of my media life I've interviewed politicians and enjoyed doing so. But I've done so very rarely on these programs because we've always concentrated on providing information of value to your businesses. Now however, as we approach the first anniversary of the Labor Government, it's time to establish what lies ahead. So we were delighted when Deputy Prime Minister, Julia Gillard, agreed to answer questions. The good news is that she reveals the new unfair dismissal laws will not be as draconian and as bureaucratic as in the past. The Government plans to reduce GST red tape and has other measures planned to assist small to medium-sized businesses.

Our regular economist, Professor Neville Norman, has good news for us too on interest rates. His predictions go further than most others. We should remember it was Neville Norman who stood alone in advising that rates would come down before the end of this year.

When you're in the marketplace selling your goods or services be sure you identify the constantly changing demands of your clients, says super salesman Tony Gattari of Achievers Group. If you don't, he warns, they'll quickly go somewhere else.

Chartered accountant Kevin Smith of The Professional Super Advisers tells us why pensions are such a big issue now for self-managed funds.

Glynn Flaherty of Payroll Matters brings us up to date on Payroll Tax harmonisation, and Colin Parker of GAAP Consulting has news of unresolved matters on financial reporting by private entities.

I hope you enjoy this month's program and gain value from it.

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Track 1

WHERE TO FOR BUSINESS?

Julia Gillard, Deputy Prime Minister

- > We're opening 36 offices around the country to give small business people more information and to deal with government
- > We need an unfair dismissal system but small businesses will have up to 12 months to assess a new staff member
- > We'll also supply a simple code for small businesses to understand obligations
- > This legislation will be in parliament this year
- > The new system will have modern simple awards, easier for people to work with
- > We've asked the Board of Taxation to look at GST compliance for small business

Track 2

SMSF PENSIONS

Kevin Smith FCA, The Professional Super Advisers

- > Better Super rules mean advantages for almost all those over age 60 as well as a lot of members between the ages of 55 and 60
- > There are lot of complexities to consider. Many funds have still not been converted
- > It comes down to comparing the tax savings in the fund and the cashflow requirements against any additional personal tax and expenses
- > Consider optimising additional contributions, converting Transition to Retirement Pensions into normal Account Based Pensions etc.
- > Consider advantages and disadvantages of segregated v unsegregated methods.

This month's **essentials**

TRACK 3

MANAGING THE PAYROLL FUNCTION

Glynn Flaherty CA, Payroll Matters

- > The Payroll Tax harmonisation process has been underway but there are still some variations
- > There's a move to a single earnings base for staff in determining the superannuation % contributed. Employers need to review each pay item and determine if super is payable
- > Some salary items are no longer FBT exempt. Employers should examine under what conditions they can be exempt
- > Some employers lack clear understanding of privacy aspects on staff personal information
- > Immigration law changes mean that employers need to check if a new employee has a legal right to work in Australia

Track 4

ECONOMIC UPDATE

Prof. Neville Norman, Melbourne University

- > I predicted the September interest rate cut almost 12 months ago against the odds because it seemed clear that monetary policy was going to bite
- > The Reserve Bank went too far with the last two rate rises
- > This recent decrease should have been bigger
- > In the next 12 months interest rates will need to be substantially lower
- > Do your business forecasts based on housing starts, car registrations and confidence indicators
- > The whole financial world is watching the American economy

Track 5

SECRETS OF PROPERTY INVESTING

John Fitzgerald, Custodian Wealth Builders

- > We face a critical shortage of housing, compounded by high levels of immigration
- > Rents in capital cities will increase by up to 50% over 3 years
- > Brisbane and south-east Queensland are Australia's fastest-growing area - the place to be for business
- > Australia won't experience a US-style sub-prime crisis, but the credit drought is hitting commercial property
- > Don't buy high-rise units if you want to build wealth - the land component's too small
- > Stand-alone suburban houses provide the best return on investment
- > Be disciplined, do your homework, keep emotion out of it and go for compound growth

Track 6

FINANCIAL REPORTING BY PRIVATE ENTITIES

Colin Parker FCA, GAAP Consulting

- > Disclosure of significant accounting policies is now required for non-reporting entities under APES 205
- > Proposed changes to the differential regime will mean use of recognition and measurement requirements of standards as well as increased disclosures
- > Changes of focus from reporting entity to general purpose financial statements is planned
- > Proposed accounting standard "IFRS for Private Entities" to be released early 2009 that non-reporting entities can choose to apply

Track 7

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

- > The latest interest rate cut, with indications of more to come, help the market momentum
- > It's been a strong company reporting season with most "star stocks" remaining so
- > We've dropped some "star stocks" because of debt exposure or revenue pressure - Data #3, Structural Systems, and Qantas
- > Great reporting results from CSL, Flight Centre, Woolworths, SMS Technologies, QBE Insurance, JB Hi-Fi, The Reject Shop, Leighton Holdings, BHP, Incitec Pivot. Favourite banks; Westpac, St. George

Track 8

TAXING REDUNDANCY PAYMENTS

Michael Jones, Cummings Flavel McCormack

- > A redundancy payment can be tax-free if certain criteria are met
- > The tax-free amount is based on years of service
- > Criteria include that the redundancy must be at the employer's initiative
- > The payment must be related to a dismissal, due to redundancy of the employee's position
- > All employment must be severed, with no arrangement to continue in a reduced form
- > The payment must be an arm's length transaction
- > It is possible for a company owner who is also an employee to receive a genuine redundancy while remaining a director

This month's **essentials**

Track 9

CONSUMERS: OLD V NEW

Tony Gattari, Achievers Group

- > 15-20 years ago, the consumer had three scarcities; cash, choice & availability of products. These don't exist any more
- > The new consumer has different deficiencies; time, attention to you & trust in you
- > Time: I must make myself available when the customer wants me
- > Attention: You must make your company memorable
- > Trust: Existing customers can give you authenticity. Try video testimonials everywhere your company appears

Track 10

IT'S ALL ABOUT IMAGE

Helen Robinett, Image Quest

- > We believe what we see, so image - and a good first impression - are important
- > Think of your clients - what will they be expecting of you and your business?
- > The area around the face is crucial in establishing an image that sets the right tone
- > Wear clothes that fit - if you're comfortable, you'll make the client feel comfortable with you
- > For men, scruffy shoes can undo the effect created by good clothes and careful grooming
- > Don't confuse fashion with style - style is timeless, the latest fashion trend won't always give the right message

For more information about the topics discussed on this October 2008 program, please contact the relevant organisations listed below.

WHERE TO FOR BUSINESS?

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SMSF PENSIONS

The Institute of Chartered Accountants in Australia
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MANAGING THE PAYROLL FUNCTION

The Institute of Chartered Accountants in Australia
1300 137 322
www.charteredaccountants.com.au/training

ECONOMIC UPDATE

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FINANCIAL REPORTING BY PRIVATE ENTITIES

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SHAREMARKET UPDATE

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CLIENTS: OLD v NEW

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IT'S ALL ABOUT IMAGE

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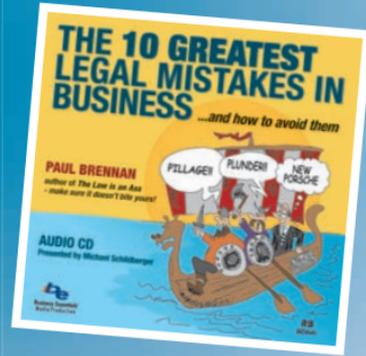
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“fantastic value, fun, great listening”

THE 10 GREATEST LEGAL MISTAKES IN BUSINESS *...and how to avoid them*

AUDIO CD PLUS EBOOK



It is difficult for even the most creative business person to commit entirely new legal mistakes. They've all been done before - many, many times. Often people wait until they are desperate before they see a lawyer about a legal problem - this just seems to be human nature. But you don't need to learn the hard way.

You can avoid legal mistakes if you know what is coming.

Paul Brennan, author of *The Law is an Ass - make sure it doesn't bite yours!* lists the top 10 legal mistakes in business - plus other legal minefields. And it couldn't be easier. You can listen to the CD and then reinforce the key messages by reading the eBook.

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