

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.

Michael Schildberger,
Executive Chairman

Executive Chairman

Michael Schildberger

Managing Director

Nick Schildberger
nschildberger@be.com.au

Advertising/Sponsorship

Nick Schildberger
nschildberger@be.com.au

Production Manager

Heather Dawson

Chief Editor

John Hounslow

Producer

Bob Kearsley

Studio Manager

Peter Letts

Publisher

Business Essentials Pty Ltd
ABN 98 006 144 449
405 Riversdale Road,
Hawthorn East VIC 3123
Phone (03) 9882 8333
Fax (03) 9882 8017
Website www.be.com.au

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?

Julia Gillard, Deputy Prime Minister
Tel: 02 6277 7320
Email: Julia.GillardMP@aph.gov.au

SMSF PENSIONS

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

MANAGING THE PAYROLL FUNCTION

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

ECONOMIC UPDATE

Prof Neville Norman,
Melbourne University
Email: n.norman@unimelb.edu.au

SECRETS OF PROPERTY INVESTING

John Fitzgerald,
Custodian Wealth Builders
Tel: 07 5527 4999
Website: www.wealthbuilders.com.au

FINANCIAL REPORTING BY PRIVATE ENTITIES

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

SHAREMARKET UPDATE

Tim Lincoln,
Lincoln Stock Doctor
Tel: 1300 676 332 or 03 9854 9444
Website: www.lincolnindicators.com.au

TAXING REDUNDANCY PAYMENTS

Michael Jones,
Cummings Flavel McCormack
Tel: 03 9252 0800
Email: enquiries@cfmc.com.au
Website: www.cfmc.com.au

CLIENTS: OLD v NEW

Tony Gattari,
Achievers Group
Tel: 02 9440 7373
Website: www.achieversgroup.com.au

IT'S ALL ABOUT IMAGE

Helen Robinett,
Image Quest
Tel: 03 9331 3248
Website: www.imagequest.com.au

Subscription Form

I would like to subscribe to Chartered Accountants Business in Focus and/or Tax in Focus:

Family name: _____ First Name: _____

Company: _____

Address: _____

City: _____ Country: _____ Postcode: _____

Telephone: _____ Fax: _____

Email: _____ Member No: _____

Age Group *(please tick one)*: 18-25 26-35 36-45 46-55 56-65 >65

Type of Business: _____ Number of Employees: _____

Subscription Pricing (GST Inclusive)

Product	Australian Rates		Overseas Rates	
	Members	Standard	Members	Standard
<input type="checkbox"/> Business In Focus – CD	\$445	\$545	\$445	\$545
<input type="checkbox"/> Tax In Focus – CD	\$445	\$545	\$445	\$545
<input type="checkbox"/> Combined (Business in Focus + Tax in Focus) – CD	\$795	\$995	\$795	\$995
<input type="checkbox"/> Business in Focus - Online	\$375	\$475	\$355	\$455
<input type="checkbox"/> Tax in Focus – Online	\$375	\$475	\$355	\$455
<input type="checkbox"/> Combined (Business in Focus + Tax in Focus) – Online	\$635	\$835	\$605	\$805

Payment Options

Please find enclosed cheque made payable to Business Essentials Pty Ltd for \$_____

OR debit my: Amex Mastercard Visa

Cardholder's name _____

Card number _____

Expiry date _____

Signature _____

Please send your order details to:

Free Fax: **1800 656 351**

Free Call: **1800 039 098**

Free Post: *send this form, (accompanied by a cheque to)*

Business Essentials Pty Ltd,
Reply Paid 579, Hawthorn East,
VIC 3123, Australia
Tel: +61 3 9882 8333
Fax: +61 3 9882 8017

Please Note: Upon payment this notice becomes a **TAX INVOICE**. Please retain a copy for your records.

Business Essentials Pty Ltd ABN 98 006 144 449
405 Riversdale Rd Hawthorn East Vic 3123 Australia

Privacy Notification - The Institute of Chartered Accountants in Australia respects the privacy of individuals and acknowledges that the information you provide on this form is protected by the Privacy Amendment (Private Sector Act) 2000. The information collected by the Institute is used for the purpose of processing your registration and providing you information (via email and/or mail) on upcoming events, specific products and services provided by or associated with the Institute. To access a full copy of our policy visit charteredaccountants.com.au/privacypolicy



Training and Development – at your fingertips

Keep abreast of the latest development in business and tax in your car, at your desk, or even on the bus!

Your annual subscription will consist of monthly audio updates either on hot topics in business or the latest tax news.

You can choose to have your subscription delivered each month on CD or online. The online version has an optional MP3 download capability enabling you to keep up-to-date via your iPod®, compatible mobile phone, PDA or any other MP3 device.



**Chartered
Accountants**

NUMBER ONE IN NUMBERS

Uncover tomorrow's Star Stocks* today

Learn how you can identify the top stocks on the market with ease

Lincoln's Stock Doctor® software empowers DIY investors to make intelligent and informed investment decisions. It provides fundamental analysis of key accounting statements and ratios for all ASX listed companies with ease, so you can focus your full attention on making important stock selection decisions. Take control of your investment portfolio – let Stock Doctor® help you select companies of the highest quality and financial health.

Take advantage of our free seminars in your state.
Register online to uncover tomorrow's Star Stocks today!

Call 1300 676 332
Visit lincolnindicators.com.au
Email enquiries@lincolnindicators.com.au

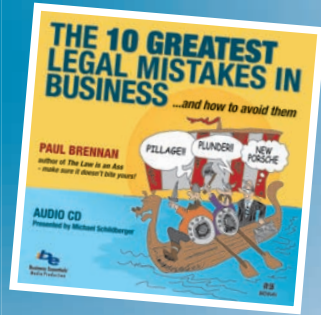
The logo for Lincoln Stock Doctor features a stylized bar chart icon to the left of the word "lincoln" in a blue sans-serif font. Below "lincoln" are the words "Stock" and "Doctor" stacked vertically in a larger, bold, black sans-serif font. A registered trademark symbol (®) is located at the end of "Doctor".

*Lincoln Star Stocks represent a selection of stocks that meet our benchmark criteria of our 9 Golden Rules. For more information on our 9 Golden Rules please visit our website www.lincolnindicators.com.au Important information: Lincoln Indicators Pty Ltd ACN 006 715 573 (Lincoln). AFSL 237740. This communication may contain general financial product advice. This communication has been prepared without taking into account your personal circumstances. You should therefore consider its appropriateness, in light of your objectives, financial situation and needs, before acting on it. Investments can go up and down.

“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.

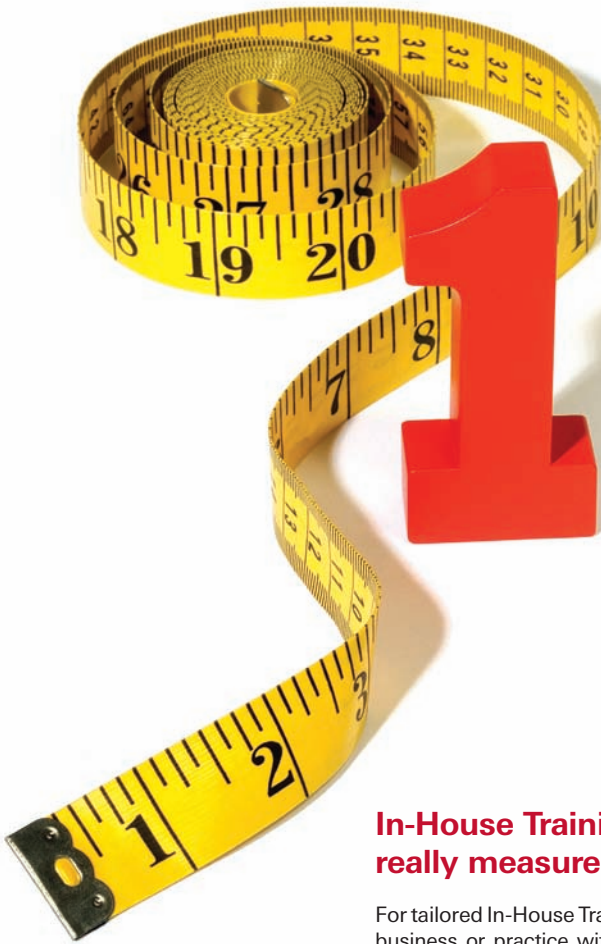
Paul Brennan, author of *The Law is an Ass - make sure it doesn't bite yours!* lists the top 10 legal mistakes in business - plus other legal minefields. And it couldn't be easier. You can listen to the CD and then reinforce the key messages by reading the eBook.

YOU WILL LEARN HOW TO:

- Take the pain out of partnership disputes
- Avoid disaster when buying a business
- Benefit from “restraint of trade” clauses
- Negotiate leases
- Use trade marks to protect your business name
- Prevent the theft of your business secrets
- Survive a computer contract
- Mediate to settle disputes
- Manage litigation - the last resort!

Special BE
Subscriber
Price
\$19.95

**To Purchase a copy of this CD plus eBook
call Business Essentials direct on 1800 039 098**



In-House Training that really measures up

For tailored In-House Training that provides your business or practice with a competitive edge – turn to the experts at the Institute of Chartered Accountants in Australia. We offer customised training in three main areas – technical, general business and people skills.

Visit charteredaccountants.com.au/inhouse
or call 1300 137 322 to find out more.

GAA Global Accounting Alliance



**Chartered
Accountants**

NUMBER ONE IN NUMBERS