

# NEWSLETTER

*June 2004*

*This newsletter raises a small number of issues that may be of interest to you. Please contact our office if you need to discuss any of these issues further.*

## ***Staff Superannuation***

The employer contribution rate is still 9% of ordinary wages and must be paid at least quarterly - not in a lump sum at the end of the tax year. Payments are to be made within 28 days of the end of the quarter. You are also required to notify your staff how much was contributed and where you sent the money, within 30 days of the payment.

## ***Workers Compensation***

Changes to workers compensation laws mean that not only wages, but staff superannuation contributions, termination and long service leave payments are now subject to workers compensation. Contractors will also need to sight workers compensation Certificates of Currency held by their sub-contractors or face the possibility of paying workers compensation premiums for workers hired by the sub-contractors. This is a big issue.

## ***Rental Properties***

The ATO is auditing rental property owners who are not reporting the disposal of the rental property for Capital Gains Tax (CGT) purposes. It needs to be mentioned that not all rental properties are subject to CGT. Also note that payments made to strata 'sinking funds' are generally not claimable and need to be separated from strata fees for tax deduction purposes.

## ***Motor Vehicle Log Books***

If you are required to keep a log book, you need to remember that they are only valid for 5 years. Prepare a new log book if you are close to the 5 year limit. Do not underestimate the ATO capacity to disallow expenses if log books are not perfect.

## ***Co-Contribution***

The much advertised superannuation 'Co-Contribution' will have little impact, if any, on most self employed people. However, this government initiative may be of some value to wage earning spouses and children. The way it works is fairly simple. You contribute money into superannuation and the government will match it dollar for dollar up to \$1000 for the 2004 year. Budget proposals indicate a higher co-contribution next tax year. This is a great opportunity to get tax free money for nothing. Talk to us further to find out more about this opportunity.

## ***Tax Invoices***

The ATO is finding that businesses are becoming a little slack in keeping Tax Invoices for business purchases. Remember, no Tax Invoice means that the ATO may cancel any GST credit claimed on your BAS for those purchases.

### ***Sale of Assets***

GST forms part of the sale price of business assets like motor vehicles, office furniture or equipment, which has been used in your business but is no longer required. The GST on the sale of assets is to be declared on your BAS and sent to the ATO.

### ***Sale of Businesses***

If you are thinking about selling your business, do not make the mistake of treating this matter too lightly. The sale of a business is not something you decide to do overnight. The most effective business sales are generally the result of many months of planning. The sale process should be seen as a prolonged campaign not just a spur of the moment decision. Remember to seek our advice on the GST & CGT implications of the business sale beforehand.

### ***Retirement Planning***

Many business owners should now be looking at their retirement options. Strategies should be put in place to maximise your leisure in retirement. This is not just a matter for those of you who are over 60. Business people in their 40's should also be planning for retirement. While superannuation is only one of many retirement strategies, you do need to ask yourself - *How much superannuation will I have when I retire?* Wage earners think about their retirement all the time, why shouldn't you?

### ***Email Addresses***

We are trying to improve our level of communication with our clients and would like to make more use of email. We will not flood you with useless information, but there are times when a simple email will do the job. This is a two-way issue. While we are keen to offer more information via email, we are also keen for clients to make email contact with our office. You could email responses to queries at a time that suits you, rather than waiting until we open the office. You could send us documents or links to websites that you have found to be useful. You could send us draft copies of letters you would like us to review. We operate on internet broadband, have 24 hour internet access and constantly check for new emails. While we do not like telephone calls at midnight, emails are fine. In order for us to update our email records, please send us an email to: [bruce@bng.com.au](mailto:bruce@bng.com.au). We will pick up your address from that email.

### ***Are we looking for new clients?***

We get this question all the time. The answer is simple. We are always prepared to take on another GOOD client. If you think you know a business person who could benefit from our advice, then give them our number. You may have to warn them. They may need to cope with direct answers that they may not want to hear and sometimes may need to deal with an accountant with a warped sense of humour.