



SPECIAL ANNOUNCEMENT

The Current Principals
Marg, Gavin and Brian are delighted to announce that

DAN SKINNER is now a Principal

As you know we aspire to provide the finest of personal service together with the best possible advice and counselling.

Dan has clearly demonstrated his commitment to those aspirations and his advancement to Principal will enhance our ability to maintain that level of service.

Dan, and everyone here at Flowers Eddy CPA, look forward to ensuring your experience of our services not only meets those aspirations but also exceeds your expectations.

Brian's Bit

Four years have passed since we experienced the Global Financial Crisis or GFC as it is known in Australia.

Because of our mineral wealth, Australia has been fortunate, even lucky, to avoid the worst of the economic malaise experienced in Europe and North America. However not everyone in Australia has avoided being affected. As reported in the press, the Retail and Manufacturing industries are testament to that.

However there is another sector of our community which has been deeply affected, but not acknowledged, Self-Funded Retirees.

They have seen their retirement nest egg ravaged by the GFC with the capital amount on which they based their future being decimated. They have little capacity to replace it and time is against them. As a result there has been a flight of investment monies to Cash Deposits and "safer" investments but with each reduction to the official interest rate, their difficulties are compounded as there is a corresponding decline in their interest income.

While there does not appear to be any obvious answer to the dilemma of retirement savings, the decision to severely restrict future levels of Superannuation Contribution only exacerbates the situation. It limits the

ability of ensuring adequate funds will be available to support yourself in retirement. One can only hope that future Governments can control their spending and thereby their tax revenue requirements, and allow the Canberra Treasury mandarins to reconsider the current inadequate Superannuation Contribution allowances.

That may be some time away, so for now, review your personal position and adopt the savings measures which are best for you and your family and remember...

CARPE DIEM

Marriage Sagaciousness

You have two choices in life:

You can stay single and be miserable, or get married and wish you were dead.

At a cocktail party, one woman said to another, "Aren't you wearing your wedding ring on the wrong finger?" "Yes, I am, I married the wrong man".

When a woman steals your husband there is no better revenge than to let her keep him.

A woman is incomplete until she is married. Then she is finished.

Business Names Exercise Caution!!

In May 2012 the registration of Business Names was shifted from a local State Registry to a Federal Registry administered by ASIC (Australian Securities and Investment Commission).

Regrettably the transition has not gone smoothly and the system is chaotic. Any Business Name activity is currently fraught with delay and frustration.

If you are taking any action involving Business Names it is essential that allowance is made for significant delays. If it is a new registration, exercise caution by allowing sufficient time between applying for registration, and using the name or ordering stationery and the like.

ATO's Small Business Benchmarks

There are now in excess of 100 industries which have been "benchmarked" by the ATO, with more on the way. The benchmarks have been developed by the ATO to provide what they believe should be the range of figures normally expected of a small, medium or large business in a particular industry to report, including an expected ratio of income vs. expenses.

Basically, the benchmarks are all about catching businesses in the cash economy "skimming" cash takings; paying cash-in-hand wages; operating off-the-books and not recording or reporting all sales and purchases.

In a recent document entitled "Record keeping and cash transactions", the ATO points out that benchmarks are really all about record keeping.

What this means is that, if your business doesn't have the records to back up its reported income and expenses, **and** if it doesn't fit the benchmark profile, the ATO will amend the tax assessment to match the benchmark.

You know you're Australian if...

You believe that stubbies can be either drunk or worn.

You understand that the phrase "a group of women wearing black thongs" refers to footwear and may be less alluring than it sounds.

You can translate: "Dazza and Shazza played Acca Dacca on the way to Maccas".

You call your best friend "a total bastard" but someone you really, truly despise is just "a bit of a bastard".

You believe it makes sense for a country to have a \$1 coin that's twice as big as its \$2 coin.

You understand that "Wagga Wagga" can be abbreviated to "Wagga" but "WoyWoy" can't be called "Woy".

You believe that cooked-down axle grease makes a good breakfast spread.

You wear ugg boots outside the house.

Your biggest family argument over the summer concerned the rules for beach cricket.

You know how to abbreviate every word, all of which usually end in - o: arvo, garbo, kero, metho, milko, muso, rego, smoko, goodo etc.

You know that there is a universal place called "woop woop" located in the middle of nowhere... no matter where you actually are.

You say "no worries" quite often whether you realise it or not.

You've drunk your tea/coffee/milo through a Tim Tam.

Changes to Director obligations

On 29 June 2012, changes were made to the tax laws with a view to reduce the scope for companies to engage in fraudulent "phoenix activity" or to escape liabilities and payments of employee entitlements.

The ATO seeks to achieve the reduction by placing even more onerous obligations on Directors.

The changes:

- Extend the director penalty regime and the estimates regime to apply to unpaid superannuation guarantee charge (SGC);
- Ensure that directors cannot avoid director penalties by placing their company into administration or liquidation when PAYG withholding or SGC remains unpaid and unreported 3 months after the due date: and
- In some instances, make directors and their associates liable to "PAYG withholding non-compliance tax" – which effectively reduces directors' PAYG credit entitlements where the company has failed to pay amounts withheld to the ATO.

Management Tips from Peter Drucker

1. Develop yourself as well as others: Drucker believed that to successfully help others to develop you need to practice self-development.
2. Build in integrity: It is a given that you need competence and a talent for working with others. But there is one qualification the manager cannot learn but must bring to the task. It is not genius: it is character.
3. Pay attention to what's happening outside your four walls.
4. Figure out the theory of your business.
5. Practice information responsibility: Ask yourself what information you owe to people you work with, and on whom you depend.

CHRISTMAS BREAK

That time of the year, time to be with family and friends, think of others. Time to take a break and reinvigorate yourself.

We will be closing the office over the Festive Season on the following dates:

Closed from 11am Thursday 20th December.

Open again 8am Monday 7th January.

We wish you and your family a happy and joyous Christmas and New Year.

Bev, Bianca, Brian, Cheryl, Dan, Gavin, Helen, Jess, Julie, Kathryn, Linda, Marg, Mark, Neridah, Paul, Pippa, Olive, Sally, Shirley and Sue.

Please Note: Many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek further advice to independently verify their interpretation and the information's applicability to their particular circumstances.