



New WorkChoices Legislation by Donna Stone

New legislation came into play in late March this year. The crux is whether your business is considered eligible or not and to ascertain this, you should contact the WorkChoices hotline on 1800 025 239 or go to their website at www.workchoices.gov.au. Some of the changes include the responsibility of eligible employers to pay their staff 10 days sick leave, in lieu of the previous 8 days per annum. There are other changes as well, so ensure you check out whether this applies to your business or not. If you need any assistance regarding changing of your accruals in Myob to accommodate the change, then please let me know.



Super Contributions by Kate Hoger

Just an important reminder that your super contributions are due by the 28th of the month following each quarter, 28th April, 28th July, 28th October, and 28th January. It is easy to forget to pay the super in January because we get an extra month for the BAS, but unfortunately, this isn't the case for super, so it is important not to overlook.

Also, when setting up new employees in your MYOB file, it is crucial that you remember to tick the super box, otherwise an employee can easily be overlooked, resulting in huge penalties. Ensure your super is set to 9%, and remember, super is not payable on all payroll categories. The below table shows where super is applicable, and also where it is not.

SUPER IS PAYABLE ON	THERE IS NO SUPER ON
Ordinary Time Earnings	Bonus (ie Xmas) unless performance related
Annual Leave (except lump sums on termination)	Overtime (unless expected and set very regular)
Sick Leave (except lump sums on termination)	Allowance for Travel re Cents Per kms Rates
Allowances such as site (not reimbursements)	Lump Sum termination payments (SL, AL, LSL)
Bonuses which are a reference to work performance	Holiday Leave Loading
Casual loading	Reimbursement of Expenses (ie. Phone, materials etc).
Night shift	Tool Allowance (used to reimburse cost of tools)
Directors Fees	Travel Allowance (used to reimburse cost of fuel etc)

WorkCover by Kate Hoger

Regarding WorkCover which is fast approaching us, when we are calculating our actual figures for the prior year, remember, there are a few payroll categories/employees that you DON'T need to pay WorkCover on, and therefore are to be excluded from your actual figures.

Your actual figure will be calculated as follows -

Gross Wages

LESS Directors wages

LESS Allowances (contact Donna if you need a list of these)

EQUALS Actual wages for the prior year.



Energy Grants Credit Scheme by Donna Stone

Some of you are already in the system, such as those in marine transport, road transport, agriculture, mining etc. From 1.7.06 it would appear that EVERY business can apply for registration in the scheme, as long as their vehicle has a gross vehicle mass (GVM) of greater than 4.5 tonne and of course that the vehicle is being used for business. There are a couple of other inclusions, such as businesses who generate electricity. Additionally, there are some other changes:

- Now diesel AND petrol can be claimed
- There will be no boundary (geographic) limitations
- Can claim this on your BAS – but you have to be registered for GST

The details have not been finalized, however for more info go to www.ato.gov.au/fuelschemes or ring 13 28 66. If you were already registered for the scheme, you will automatically have a label on your BAS form to use; those not registered but who believe they are applicable, should register for the scheme ASAP.

“Computer Protection” by Jason Whitford

In this age, an age where our lives are ruled by technology, internet security is of paramount importance. Once connected to the World Wide Web, privacy and security can no longer be guaranteed. Having an unprotected computer system is like sailing in a leaking boat, there are many gaps in which viruses, Spyware and other malicious software can exploit. There are also more than these automated assassins. In this day and age, hackers are becoming increasingly common.

It is impossible to have a *completely* secure internet environment, but there are ways of reducing the risk. Having an appropriate up-to-date firewall, popup blocker, spam filter and scanning for viruses regularly with current virus scanning software are standard practices. Not only is it important to have these things, but it essential to have protection *suited to your computer system*. Having inappropriate protection may leave your system vulnerable to malicious activity. Remember it's not a matter of **IF** it will happen to **YOU**, but rather, when. Be prepared!

New Versions of MYOB Scheduled for Release by Donna Stone

MYOB Australia are changing things a little this year, and I think it's a great idea. Instead of getting the new version of Myob in late May and then having to learn the new version on top of handling the rigors of year end, we are releasing the software in two stages. In late June you will receive the compliance release, which basically has the new tax tables on it (tax rates are changing again from 1.7.06). Then in September (once we're over the rush of year end) you'll receive part 2, being the actual upgrade to MV16 or Premier 10.

Now any client on MV14 or lower can upgrade now to MV15 and will receive the compliance update. If you are on MV 15, then you need to upgrade before 1st July (and also this means you claim the deduction in this year). I get the impression it's a CD that will be shipped (rather than having to download off the internet), but if you've not received by say 25th June, then chase Myob. Two options are:

1. Upgrade plus 12 month subscription to MYOB Cover \$399 inc GST.
2. Upgrade only \$339 inc GST.

If you do wish to upgrade you can do this direct (they will have faxed/emailed you upgrade forms recently) or you can arrange this through me and I'll handle it. Allow 10 working days for them to ship; so I suggest you get onto this ASAP.



Your Responsibilities of being a Director of a Company by Donna Stone

A sorry tale: An elderly couple, were directors of a company which operated a mixed business. They retired and the business was then run by family members. Those family members did not do the right thing; they took money from the company for themselves without paying company liabilities. When the day of reckoning came, the daughter-in-law committed suicide and the Directors were forced to resume running the caravan park. They sold their home to pay company debts, including outstanding tax, and also sold the land on which the business was conducted. There was still a debt of \$198,000 and they were paying that off at the rate of \$4500 a month. The Tax Office took action to wind up the company. The moral of this story is that if you, as directors, are responsible for your business operations. Do not hand the business over to others while retaining that responsibility. As Directors you must, at all times, keep firm control of your business and ensure you know what is happening. Remember, the buck stops at **you!**

Also remember that Company income is not yours! I've heard a builder say, he thought he could use materials bought by the business to build his own home. You and your company are two separate entities. Maybe you've worked really hard, but you have to take money out via wages (taxed), dividends etc. you can't just take money out of your company without consequences!

How to Save Time and Money at Tax Time by – Annie Prestwidge - Guest Writer

Our guest writer this newsletter is Annie Prestwidge of Baywater Accounting Service. Many thanks Annie for these great (and very timely) reminders. If you wish to contact Annie, her office number is 3901 0547 or email info@baywatergroup.com.au



BAYWATER ACCOUNTING SERVICE

- Have a Great Bookkeeper....Congratulations on already achieving this first very important point. A great bookkeeper saves you money by ensuring your Business Activity Statement is lodged on time. Your year end accounting fees would also be reduced as a result of not having to pay your accountant to add individual receipts. Most importantly, a great bookkeeper helps you know how profitable your business is each period.
- Do a Stock Take on the 30th June 2006. The stock figure you provide your accountant needs to be an accurate account of the stock you hold at the 30th June. This closing stock figure for the 2006 financial year, affects your Gross Profit Figure and most importantly the tax you pay!
- Prepare your staff PAYG Summaries by the 14th of July 2006 and make sure you have sent the ATO PAYG Summary reconciliation by the 14th of August 2006. By making this happen you are keeping your staff happy and keeping the Tax Office happy and avoiding any nasty letters demanding that you fulfill your obligations!



- Talking about employer obligations - Super, Super, Super!.I know this can be cumbersome, however you need to make sure you have paid your employees super each quarter and if you have not do it now as the Super Guarantee charges are calculated daily and are costing you money. The other major disadvantage for paying employees super late is that it is disallowed as a tax deduction, again costing you money!
- The end of year is a good time to check that Work Cover has an accurate estimate of your total employee wages for the 2007 financial year! This will save you money in the long run by avoiding a surprise visit from Work Cover or worse finding an employee is not covered when you need it most!
- Provide your bookkeeper with an accurate account of your 30th June Debtors and Creditors. This will allow an accurate list to be provided by MYOB to your accountant as this affects the bottom line...the tax you pay.
- If you are using your car in your business and you own the car personally and your motor vehicle is not classed as commercial then you need to keep a log book to maximise your motor vehicle claim. It is not too late for the 2006 financial year as long as you start before the 30th June 2006 you must keep your log book for a continuous 12 week period but it can cross over to the next financial year.
- Provide your accountant with any new Loan documents for a new motor vehicle or purchase of equipment. This will allow you to claim the maximum deduction for interest.
- Provide a list of all the equipment purchased or sold during the financial year as this will ensure the correct depreciation rates are applied and any profit or loss is accounted for as this again affects the tax you pay.
- If you have expenses such as mobile phone or the internet and are used both for private use and business use, you need to provide the business percentage to your accountant to ensure that the private portion is not claimed as this would increase your audit risk and cost you more in penalties and interest in the long run.
- So you have made this unexpected profit and time is running out before the 30th June hits! Super contributions are tax deductible for business owners as is Income Protection Insurance and the purchase of new equipment. You will need to contact your accountant to find out the exact amount of super deductible based on your age and business structure. Your income protection is fully deductible provided on a payout it is not in a lump sum. If you are looking to purchase equipment and you are looking to reduce your profit then this will be achieved if you are eligible for the Simplified Tax System (STS). This means that any equipment under \$1000 can be deducted fully in the financial year purchased (to be eligible for STS you must have a turnover of less than \$1 million and depreciable assets of less than \$3 million).
- The STS works on the basis of what is paid is deductible so if you pay all your outstanding expenses before the 30th June you can claim a tax deduction in the 2006 financial year.
- The STS works the same for income, if you have been paid then it is included in the 2006 financial year income if you have sent the invoice but at the 30th June it remains unpaid then these invoices are not included as income until the following financial year.



New Superannuation Changes by Donna Stone

With the May 2006 budget came quite a few changes, including some changes to tax scale levels. Most notable were some very substantial changes to superannuation. In an order to entice more Australian's to contribute to their future, they've made super even more appealing. If you have any super queries, you are best contacting either your accountant or your financial advisor.



Announcement...

We are pleased to announce the safe arrival of baby *Tyler Kane Beresford* to Kate & Kane. He was born on 21.4.06 and weighed 6lb10oz and was 49 cm long. Kate & family are doing well.



If you have any issues or questions which you would like answered in the upcoming newsletter; please email your question to Donna directly. Should you need any assistance with this; or any of the above matters – feel free to contact us on

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Happy Myobing from Donna and the Team!

Cheers

Stone Consulting - We'll keep your MYOB rolling
and relieve you from the cost, time and stress of your bookkeeping!

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