

The SOTHERTONS REPORT



MAY 2011

Welcome to the Sothertons Budget Issue of The Report.

Federal Treasurer Wayne Swan received a generally lukewarm response to his 2011-12 Budget handed down on May 11th. The Budget delivers no major shocks or benefits for most businesses. We include a précis overview of the major business, personal and superannuation categories.

This Report also covers the usual ATO decisions including: trust law changes, withdrawal of cash sales benchmarks and we itemise tax planning points for you to consider.

We highlight issues that have a bearing on all businesses in the following series of articles – workplace privacy and employee photographs, the national Work, Health and Safety legislation and your due diligence requirements, and Fairwork Australia's implemented changes and their impact on small business.

For our readership we turn the focus on ourselves and cover: the charitable and not-for-profit clientele throughout Australia that the Sothertons network services, often on a pro bono basis; the impact and aftermath of the earthquake on our Christchurch office; and Sothertons Director Judy Reynolds' experience trekking in Peru on behalf of the StepUP Foundation.

Until next time. ■

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Victorian Real Estate & Trust Account Audit Law Changes

We bring to the notice of all our Real Estate clients that reforms were introduced by the Victorian State Government affecting your obligations of managing trust accounts with effect from 1 April 2011. For most clients, these changes will apply for the first time for 2011 year audits conducted from 1 July 2011. These introduced changes now require you, the client, to lodge a copy of the audit report with the Director of Consumer Affairs Victoria within 10 business days of receiving it, rather than the auditing accountants. We will ensure that you receive your audited reports well within the time frames. ■



Sothertons Melbourne has developed a strong client base in the Hospitality and Catering area over the last thirty years with extensive experience including: *Industry Benchmarking, KPI Management, Cashflow and Budgets Forecasts, Growth Strategies, Risk Management and Internal Audit & Peer Review.*

In keeping with the enormous public interest and growth in the diversity of food styles and preparation over the last few decades (especially with television programs including Maggie Beer, Masterchef and the many diverse cooking and food related shows on SBS and the ABC) Sotherton's client, Max's Restaurant at Red Hill touched on a niche market by initially launching their "Kitchen Antics Cooking School" back in 1998.

Established by Max Paganoni and Susan Williams and based at Max's Restaurant on the Mornington Peninsula they found in the first few years their students' ongoing requests for a tour discovering the origins of Tuscan cuisine. It was on this basis that the business evolved into "Kitchen Antics Tours" in 2000. For eleven years Max and Susan have been personally researching, organising and escorting

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Establishing a Niche Market

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tours to Tuscany, Sicily and Northern Italy (Emilia – Romagna and Piedmont). Their tours introduce participants to the delights of famous Italian regions and embrace a unique and memorable experience



that just isn't possible as part of a larger tour group. Accommodation on their Tuscany tour includes staying in a converted monastery and a private villa surrounded by

vineyards. Visits to spectacular old world wineries and the opportunity to learn about the history of medieval hilltop villages allow a greater appreciation of the region. On top of this participants enjoy fabulous traditional Tuscan fare and learn the skills required to recreate these dishes at home.

Kitchen Antics tours are limited to small intimate groups of twelve participants and the tour itineraries are designed specifically to include a variety of activities within a commutable distance from the accommodation. Max and Susan pride themselves in looking after their clients, ensuring that the pace is not too hectic and that their tours concentrate on one region of Italy at a time. Travelling in a small group provides the opportunity to meet new like-minded people. Many participants have forged life long friendships and afterwards organised to join another Kitchen Antics tour to another destination with friends they have met previously. Further information about forthcoming tours is available on their website: www.kitchenanticstours.com.au ■



Sothertons publishes The Report, newsletters and bulletins as a service to our valued clients and trust these are of benefit to you. If you think this (or any of our publications) may be useful to others please provide their details to our office. However in accordance with the Privacy Amendment (Private Sector) Act 2000, we invite you to advise us if you wish to have your name removed from our mailing lists. Please contact our office. If we do not hear from you we will assume you are happy to receive this and other future publications and will retain your name on our mailing list.

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FEDERAL BUDGET 2011



Budget delivers no major shocks or benefits for most businesses

Individuals at the lower income levels will lose some benefits to encourage re-entry to the workforce.

The budget is trying to accommodate an economy that has low unemployment, some inflationary pressure, but some real challenges when viewed in the context of the mining resurgence, natural disaster setbacks, a strengthening dollar, the two speed economy, and the impact of the Euro debt crisis on global markets.



Key Initiatives: ■ Health ■ Employment ■ Productivity

PERSONAL TAXATION

Personal Tax Rates – No Change

The Government did not make any changes to the currently legislated tax rates which apply for the 2010–11 and following years. However, taxpayers should not forget that, from 1 July 2011 for one year, those rates will include the flood levy, where applicable.

FEDERAL BUDGET 2011

Minors No Longer Entitled to Low Income Tax Offset on Unearned Income

The Government will remove the ability of minors (children under 18 years of age) to access the low income tax offset (LITO) to reduce tax payable on their unearned income, such as dividends, interest, rent, royalties and other income from property, with effect from 1 July 2011.

According to the Government, this is to discourage income splitting between adults and children. However, income earned by minors from work will still be eligible for the full benefit of the LITO.

Low Income Tax Offset: a Little Extra in the Pay Packet

From 1 July 2011, the Government will increase the proportion of the low income tax offset (LITO) that is delivered through workers' week-to-week pay packets from 50% to 70%.

This change means that instead of being compensated after they put in their tax return at the end of the year, lower income earners are taxed less during the year. According to the Government, someone with an annual income of \$30,000 will get an extra \$300 during the year in their regular pay.

Dependent Spouse Rebate for Spouses Under Spotlight

The Government announced it will phase out the tax offset for dependent spouses aged less than 40 (ie born on or after 1 July 1971) "to help encourage more Australians into paid employment".



This change will mean taxpayers with a dependent spouse aged less than 40 years will no longer be eligible for the dependent spouse tax offset (DSTO) from 1 July 2011. However, the change will not affect certain dependent spouses – for example, spouses who are permanently unable to work or who are carers.

No More Deductions for Youth Allowance Recipients

The Government will amend the tax law to prevent deductions being claimed against all government assistance payments, with effect from 1 July 2011.

The announcement is in response to a 2010 High Court decision which had held that a Youth Allowance recipient could claim a deduction for certain expenses incurred in gaining the payment. The Government says the change is designed to maintain the integrity of the deductions system.

FEDERAL BUDGET 2011

HECS Discount for Up-Front Payment to be Halved

The HECS-HELP up-front discount will be reduced from 20% to 10%. The Government is also slashing the voluntary repayment bonus from 10% to 5% effective from January 2012.

Medicare Levy Thresholds Increased for 2010–11

From the 2010–11 income year, the Medicare levy low-income thresholds will be increased for singles to \$18,839 (up from \$18,488 for 2009–10) and to \$31,789 for those who are members of a family (up from \$31,196 for 2009–10).

The additional amount of threshold for each dependent child or student will also be increased to \$2,919 (up from \$2,865).

The Medicare levy low-income threshold for pensioners below Age Pension age will also be increased from 1 July 2010 to \$30,439 (up from \$27,697). This increase will ensure that pensioners below Age Pension age do not pay the Medicare levy while they do not have an income tax liability.



SUPERANNUATION

Excess Contributions Tax – New Limited Refund

The Government will provide eligible individuals who breach the concessional contributions cap by up to \$10,000 with a one-off option to request that these excess contributions be refunded to them.

This new refund option will only apply to first time breaches from 1 July 2011. The Government expects that this reform will help to reduce the number of occasions where the concessional contributions are exceeded resulting in an excess contributions tax (ECT) assessment.

Minimum Pension Drawdowns for 2011–12

The minimum annual payment amounts for pensions and annuities will be reduced by 25% for 2011–12 and will return to normal in 2012–13. In this respect, the Government will begin to phase out the 50% pension drawdown relief that has been provided for 2008–09, 2009–10 and 2010–11 financial years.

Reducing the minimum payment amounts by 25% for account-based, allocated and market linked (term allocated) pensions from 1 July 2011 seeks to provide some assistance to holders of these products to recoup capital losses incurred as a result of the global financial crisis.

Concessional Contributions: Higher Cap for Those Aged 50 and Over

The Government will set the proposed higher concessional contributions cap at \$25,000 above the general concessional cap, for eligible individuals aged 50 and over with total superannuation balances of less than \$500,000.

The Government has confirmed that the higher cap will enable eligible persons over 50 to be able to contribute \$25,000 more per year than other workers subject to the general concessional contributions cap of \$25,000. As a result, when the general concessional contributions cap increases with indexation from \$25,000 to \$30,000, the higher cap will increase by the same dollar amount. This measure will apply from 1 July 2012.

BUSINESS TAXATION

Small Business Motor Vehicle Instant Tax Write-off

The Government will provide Australian small businesses with an instant tax write-off of the first \$5,000 of any motor vehicle purchased from 2012–13. The Treasurer said that, for example, a tradesman on a 30% marginal tax rate, buying a new \$33,960 ute would receive an extra tax benefit of \$1,275 in the year he purchased the vehicle. The remainder of the purchase value can be transferred into the general small business depreciation pool, which is depreciated at 15% in the first year and 30% in later years.

These reforms will be available to all small businesses, including sole traders and businesses operating through trusts, partnerships and companies.

The new small business instant write-off for the first \$5,000 of any motor vehicle will effectively replace the Entrepreneurs Tax Offset (ETO), which will be abolished with effect from the 2012–13 income year.



[Continued]



FBT and Cars – Flat 20% Valuation Rate to Apply

The Government announced what would amount to implementation of a Henry Tax Review recommendation that the current statutory rates for valuing car fringe benefits be replaced with a single statutory rate of 20%, regardless of the number of kilometres travelled.

The changes will apply to new vehicle contracts entered into after 7:30pm (AEST) on 10 May 2011, and will be phased in over four years.

People who use their vehicle for a significant amount of work-related travel will still be able to use the “operating cost” (or “log book”) method to ensure their car fringe benefit excludes any business use of the vehicle.

PAYG Installments

PAYG installments – GDP adjustment factor reduced for one year.

Company Loss Recoupment

Company loss recoupment rule amendments and the continuity of ownership test and same business test made easier.

Infrastructure Projects

Loss utilisation for infrastructure projects.

CHARITIES AND THE NOT FOR PROFIT SECTOR

Loss of Tax Exemptions and Other Benefits

Important changes affecting charities and their commercial activities facing loss of tax exemptions and other benefits.

Charities to be redefined and new authority to be established to govern the Charity and Not For Profit sector. Transition dates for existing charities. New business after 10 May 2011 will have new rules applied from 1 July 2011. ■

Trust Law Changes On The Way

The Government has announced that it intends to review and rewrite the highly complex area of trust tax law to deal with ongoing uncertainties regarding its proper application.

Two proposed measures have been flagged by the Government for implementation sooner rather than later including:

- changes to enable the streaming of capital gains and franked distributions; and
- changes to allow trust beneficiaries to continue to use the primary production averaging and farm management deposit provisions in a loss year.

These changes are proposed to apply for the 2010–11 and later income years.



The proposed changes are highly complex and new developments are likely to occur quickly. Please contact our office if you have any questions. ■

Personal Services Entities: ATO Takes a Closer Look



The Australian Tax Office (ATO) has announced that it will request and collect information on amounts paid to personal services entities by 39 labour hire firms, placement agencies and computer consultancies. Under the project – known as the **Personal Services Income (PSI)** data-matching project – data requested will include name and address details of the individual who is the main service provider to the entity. The ATO said it anticipates that records relating to approximately 100,000 individuals and entities who have received contract payments from the 39 entities will be matched.



If you are concerned this data-matching program will affect you, please contact our office. ■



Sothertons Melbourne host 2011 Budget Breakfast

The theory was simple. Invite your clients and contacts to a corporate breakfast the morning after the budget with a view to giving them a succinct summary of the announcements made the night before. Take away the hassle of people needing to read the papers, browse the internet, watch or listen to news bulletins – give people back some of their precious time.

Enhance the theory by setting some lofty objectives – aim for 100 guests, partner with a debtor finance specialist to share costs and resources, commit to venues, caterers, entertainment and audio visual costs and then partner with a charity to benefit from the proceeds.

In reality though, budget details were released at 7.30pm on Tuesday May 10th, exactly twelve hours before the first rice bubble was eaten! Only a dedicated Tax team headed by Robert Lissauer, Buck Xiao, and Mark Lipson could siphon through the myriad of information flowing in on the budget, digest it, and collate it into a presentable format for Robert to deliver as eloquently and professionally as he did. **Hats off to him and his dedicated team!**

Back that up with Max Scales as a most competent master of ceremonies and Anthony Ackroyd a la Kevin Rudd and the morning was, to steal a phrase from Ruddy, “Kevinspirational!!”.

Thanks to Oxford Funding, our sponsorship partner, Variety Australia, our chosen charity and the many friends, clients and contacts of Sothertons and Oxford Funding for supporting the event and making it such a success. ■



[Top] Sothertons Melbourne Director and Tax Specialist Robert Lissauer summarising the major points of the Federal Budget. [Below] Comedian Anthony Ackroyd as his alter ego Kevin Rudd.



Flood Levy Now Law

The legislation to implement the Government’s proposed temporary flood levy has been enacted. The legislation imposes a one-year levy on taxpayers to help raise the revenue needed to assist the reconstruction work following the destruction by the floods and Cyclone Yasi in Queensland earlier this year. The 0.5% to 1% levy will apply to individuals with taxable incomes above \$50,000, and will apply for the 2011–12 income year only. However, there are specific classes of taxpayers who are exempt from the levy.

TIP *Employers will need to identify their employees who earn more than \$50,000, and withhold the levy from their salary or wages. Employees who are exempt from the levy may lodge a flood levy exemption declaration form with their employer. ■*

Land Sale Case Sheds Light On “Going Concern” GST-free Concession

In a recent decision, the Federal Court held that a supply (sale) of land by a taxpayer was not a supply of a going concern, and therefore was not GST-free. Although the Court acknowledged the taxpayer was in the business of property development, it found that business ended when the taxpayer decided to sell the land. Ultimately, the Court found the sale of the land was not a “supply of a going concern” as the sale did not supply “all of the things necessary for the continued operation of an enterprise”.

TIP *For a supply to be considered a supply of a going concern (and therefore GST-free), various conditions must be satisfied. These conditions include the supplier supplying to the recipient all the things necessary for the continued operation of the enterprise, and the supplier carries on the enterprise until the day of supply. ■*

30 JUNE

TAX PLANNING

Simply put, tax planning is the arrangement of a taxpayer's affairs so as to comply with the tax law at the lowest possible cost, and involves objectively assessing and actively managing tax risk. Common tax planning techniques are deferring the derivation of assessable income and applying techniques to bring forward deductions.

Deferring Income

- Income received in advance of services to be provided will generally not be assessable until the services are provided.
- Taxpayers who provide professional services may consider, in consultation with their clients, rendering accounts after 30 June to defer the income.
- Consider whether the requirements to be classified as a small business entity are satisfied to access various tax concessions such as the simpler depreciation rules and the simpler trading stock rules.
- Individuals operating personal services businesses should ensure that they satisfy the relevant test to be excluded from the Personal Services Income regime or seek a determination from the Commissioner.

Maximising Deductions

Business Taxpayers

- Debtors should be reviewed prior to 30 June to identify and to write off any bad debts.
- Review the asset register to identify any low-cost and/or low-value assets that may be pooled to access an accelerated rate of depreciation.
- Write off any depreciating assets which are no longer being held for use. Review trading stock for obsolete stock for which a deduction is available.
- Employees' superannuation contributions should be paid before 30 June to obtain a deduction. Clients should note that compulsory contributions for the June quarter must be paid by 28 July to avoid the Superannuation Guarantee Charge.

[Continued]

Non-Business Taxpayers

- Outgoings incurred for managed investment schemes may be deductible.

A recent High Court decision held a taxpayer deriving Youth Allowance was allowed a deduction for various self education expenses. This has been addressed in the recent budget, and deductions will not be available from 1 July 2011. However, a deduction will be available in respect of the year ending 30 June, 2011 for amounts incurred, provided they can be substantiated. As with all self-education expenses, the first \$250 is not deductible.

- Assets costing \$300 or less may qualify for an immediate deduction subject to certain conditions.
- A deduction for personal superannuation contribution is available where the 10% rule is satisfied. ■

Capital Gains Tax

- Consider deferring the disposal of shortly-held assets to access the CGT discount, where available.
- Individual taxpayers can consider contributing some or all of capital gain to their superannuation fund because a deduction may be available for personal superannuation contributions.
- Consider whether a rollover relief is available to defer any capital gains.
- Consider the availability of the small business CGT concessions which can disregard, reduce or defer a capital gain arising from the disposal of an asset which has been used by an entity in the course of carrying on its business. ■

Superannuation

- A re-contribution strategy may produce tax benefits for taxpayers under age 60.
- Low-income earners (including self-employed persons) should consider making a personal superannuation contribution to qualify for the government superannuation co-contribution payment.
- For the 2010/11 income year, pensioners have the option to draw half of the year's minimum required pension amount.
- The reduction in the concessional contributions cap to \$25,000 (\$50,000 for those aged 50-74) since 1 July 2009 means that more individuals are now at risk of inadvertently breaching their annual contribution cap. A review of various arrangements involving superannuation (eg salary sacrifice) would be prudent. ■

[Continued]

30 JUNE

TAX PLANNING

Companies

- The franking percentage for distributions to shareholders should be the same for each franking period to avoid a franking deficit tax.
- Loans, payments and debt forgiveness by private companies to their shareholders and associates should be repaid by the earlier of the due date for lodgment of the company's return for the year or the actual lodgment date. Alternatively, appropriate loan agreements should be in place.
- Companies may want to consider consolidating for tax purposes prior to year end to reduce compliance costs and take advantage of tax opportunities available as a result of the consolidated group being treated as a single entity for tax purposes.
- Companies should carefully consider whether any deductions are available for any carry forward tax losses, including analysing the continuity of ownership and same business tests. ■

Trusts

- Taxpayers should review trust deeds to determine how trust income is defined. This may have an impact on the trustee's tax planning.
- A recent High Court case confirmed that it is correct to apply the proportionate approach if the net income of a trust for tax purposes exceeds its accounting income.
- The Court also affirmed that the trustee can distribute capital gains as income of the trust for tax purposes if the trust deed permits it.
- Avoid retaining income in a trust because the income may be taxed at 46.5%.
- If a trust has an unpaid present entitlement to a corporate beneficiary, consideration should be given to paying out the entitlement by the earlier of the due date for the lodgment of the trust's income tax return for the year or the actual lodgment date to avoid possible tax implications.
- The Tax File Number withholding arrangements have been extended to closely held trusts (except were specifically excluded). The arrangements impose new reporting and payment requirements for trustees of trusts subject to the new provisions. ■

WORKPLACE PRIVACY



Using employee photographs in your business? – “SAY CHEESE!”

The publication of an employee's image raises several potential legal issues for employers. These issues, whilst relevant to both physical and electronic images, have become all the more prevalent with the rise and rise (and rise...) of internet technology and the use of websites as marketing tools.

Generally, a photo of an employee CAN be used without the consent of the employee IF it is taken for the purposes of the employment or in the context of the employment.

If not, an employer can still use a photo without the employee's consent as long as the employee is aware, or is reasonably likely to be aware, of how the photograph will be used. If this is not the case, the employer must obtain the consent of the employee to publish the photo. Failure to obtain consent may amount to a breach of confidence, potentially resulting in injunctive relief, if the employee can establish that the image was created with an expectation of confidentiality and arose out of a relationship of confidence.

Publishing a former employee's image, whilst not prohibited, can be problematic on a number of levels. Firstly, if the publication specifies or infers that the employee is a current employee, it may infringe National Privacy Principle 8 (found in the Privacy Act 1988 (Cth) which prohibits most employers from using information without taking reasonable steps to ensure that the information is accurate, up to date and complete. It may also then contravene the Competition and Consumer Act 2010 (Cth) (formerly the Trade Practices Act) which provides that it is unlawful to engage in conduct that is misleading or deceptive or likely to mislead or deceive.

It could also give rise to an action in defamation if the published matter is likely to lead an ordinary reasonable person to think less of the ex-employee.

[Continued]

WORKPLACE PRIVACY

Another potential legal issue is copyright. If the employee is the copyright owner of the photo (the employee is not the copyright owner simply because his/her image is in the photo) the employer must obtain the employee's consent to publish the photo.

The most effective way to address these potential legal issues is to have a policy and/or contractual provision that expressly provides that an employer has the right to use employee images both during and after the employment relationship.

Further, employers should pay their own photographer for any images they intend to use and ensure they have a formal agreement with the photographer that the employer acquires copyright ownership from the photographer upon payment (if it can be said that the photo is a portrait then the payer automatically acquires copyright ownership).

Finally, employers should not publish photos provided by an employee if there is no agreement with the employer about use of their photo. If there is not, then the employee (or ex-employee) can rightfully assert copyright ownership and withdraw consent at any time. ■

*Sam Eichenbaum, Principal Accredited Workplace Relations Specialist,
Macpherson + Kelley Lawyers*

FREE Superannuation Clearing House for Small Business

We remind our clients that the Federal Government is offering a free super clearing house service to small businesses with fewer than 20 employees.

The clearing house allows an employer to pay their employees superannuation contributions to a single location. The clearing house then distributes the superannuation contributions to the relevant funds. It is easy to use and reduces the amount of paperwork involved in making multiple payments to different superannuation funds.

This service is optional and is designed to reduce red tape and compliance costs for small businesses when meeting their super guarantee obligations. It is important that the terms and conditions of the service are fully understood before agreeing to use the service.

Small businesses can register online at www.medicareaustralia.gov.au/super or alternatively they can phone from anywhere in Australia (1300 660 048).

Should any clients have any questions in relation to this service they would like further clarified please contact your accounting services Director / Partner who will be happy to assist you. ■

David Lissauer, Sothertons Melbourne.

IGAF & POLARIS MERGER

*Once three, now
ONE GREAT ASSOCIATION*

IGAF POLARIS

A Global Association of Independent Firms



We are pleased to announce the merger of our international affiliation IGAF with Polaris and Fidunion effective from 1 June 2011. To be initially known as IGAF Polaris clients will see over the coming six month a change in our stationery to reflect the new name and Logo of our International affiliation.

The merger will see the association becoming the third largest association of independent accounting firms in the world. The association's 384 member firms will have combined annual revenue of \$1.82 billion employ 16,300 team members worldwide and have 843 offices in 89 countries across the globe.

Robert Lissauer from the Sothertons Melbourne office was involved at IGAF Board level with all aspects of the merger over the past 18 months stated

"We at Sothertons are excited about the tremendous breadth of experience and skills now available to us and the enhanced ability to help our clients succeed on an international scale. The increased resources the merger brings with it will allow all member firms to provide a huge leap in services, education, benchmarking, and high-quality relationship building opportunities which will be of immense benefit to our clients".

Since the merger was announced some Sothertons offices already had interaction with a number of new members across the Tasman and in Asia which has already seen discussions in relation to the use of each others' staff on some potential international audit assignments.

Through the Report we will continue to keep all clients abreast of further exciting changes in relation to the merger as they occur. ■

How will the new 2012 National Work Health Safety Legislation impact you?

Are you a Decision Maker in Your Organisation?

The harmonisation of work health and safety laws has resulted in a positive duty (Due Diligence) being placed on 'Officers' of a company (person conducting a business or undertaking – PCBU) that ensures proactive steps are taken by an Officer to ensure compliance by the company with the duties or obligations placed on the company by the Model Work Health and Safety Act.

Section 27(1) of the Model Work Health and Safety Act (WHS Act – final version 26th November 2010) outlines the Due Diligence requirements of Officers. As the Commonwealth and each state and territory will be required to enact these new laws from 1 January 2012 it is important that you prepare and plan your Due Diligence activities now.

Who is an 'Officer' in my Company?

An 'Officer' of a company (PCBU) is defined by reference to **Section 9 of the Corporations Act 2001** i.e. Company Directors but also includes other persons who have capacity to wholly or substantially influence the decisions and management of the company. The definition applies equally to both directors and nonexecutive directors. [Continued]



What does 'Due Diligence' Mean?

'Due diligence' is defined by the 2012 Act as taking "reasonable" steps to:

- a) Acquire and keep up to date knowledge of work, health and safety matters.
- b) Gain an understanding of the nature of the operations of the business or undertaking of the person conducting the business and of the hazards and risks associated with those operations.
- c) Ensure that appropriate resources and processes are available for use and these are used to eliminate or minimise risks to health and safety from work carried out.
- d) Ensure there are appropriate processes for receiving and considering information regarding incidents, hazards, and risks and responding to them in a timely way.
- e) Ensure there is a process implemented for complying with any legal duty or obligation of the company under the model WHS Act.
- f) Verify the provision and use of resources to address the requirements of c) to e) above.

What should I or my Company do?

This positive duty will be a key change in all jurisdictions and as such company 'Officers' must implement systems and procedures that can be relied upon to demonstrate due diligence for all safety matters within their control.

In practical terms, Due Diligence means moving beyond compliance and taking reasonable steps to enable:

- Active senior management leadership and engagement in safety.
- Credible verification of workplace and health and safety activities (independent from the business unit).
- Information flow and advice (the right amount at the right time).
- Auditing and strategic reviews of health and safety.
- Annual, quarterly and 'as it happens' health and safety reporting.
- Proactive as well as reactive safety discussions.
- Key risk profile of the organisation to be developed and monitored.
- Lead and lag indicator measurement (relevant to the organisation and its risk profile).

It is important to ask the question, "Will safety pass the Due Diligence test in our organisation?" ■

Noel Arnold & Associates is one of Australia's largest Risk Management and OH&S Consultants. www.noel-arnold.com.au

Employees Not Contractors, Says Court

In a recent decision, the Federal Court held interpreters engaged by a business to provide interpreting and translating services were "employees" for superannuation guarantee purposes and were not independent contractors.



The correct classification of an individual as an employee or as an independent contract is critical. This is because employers are liable to provide the minimum level of superannuation guarantee for their employees. A failure to do so will result in employers being liable to a non-deductible superannuation guarantee charge. ■

GST and Goods Sold With Discounted Components



The ATO has released its official view of the Full Federal Court's decision in a case which concerned the correct calculation of GST on goods sold that are partly taxable and partly GST-free. The case involved a taxpayer that offered its customers spectacle frames at a discount provided they purchase the lenses at full price. The lenses are GST-free, whereas the frames are a taxable supply – together the spectacles are referred to as a "mixed supply".

The Full Federal Court agreed with the taxpayer that the discount should only be applied to the frames, and not apportioned between the lenses and the frames. The ATO said the Commissioner accepts that it was open to the Court to make its conclusions regarding the correction apportionment and it will not appeal to the High Court. As a result, the ATO said some optical suppliers may be able to seek a refund for overpaid GST (if certain requirements are met). ■



FAIR WORK AUSTRALIA

- Employers and employees making new enterprise agreements under the Fair Work Act should be aware that terms relating to long service leave contained in the agreement cannot override a State law or former award. Cashing out of long service leave in States which prohibit it will still be an offence under State law.
- Employers should carefully consider whether there is any value in including a term in new enterprise agreements relating to cashing out of long service leave.
- The laws surrounding cashing out of annual leave are very complex and employers should seek appropriate legal advice to ensure that they are not faced with penalties for breach of State based long service leave law or the National Employment Standards.

Should you have any questions we ask that either you contact your legal advisor or alternatively contact your Business Services Director / Partner who will be happy to introduce you to a suitably qualified legal practitioner with expertise specifically in the area of employment law should you not already utilise the services of an expert in this area. ■ *David Lissauer, Sothertons Melbourne.*

Small Businesses

We inform our business readers that with the establishment of Fair Work Australia (FWA) important changes have occurred since last January.

Prior to 1 January 2011, a "small business" was defined as a business that employed fewer than 15 full-time equivalent employees. However, from 1 January 2011, a small business is now defined as a business that employs fewer than 15 employees.

This means that:

- Casual and part-time employees are now included in the total employee headcount for small business.
- Fewer employers will now fall within the definition of a "small business".
- The new definition of a "small business" may affect whether the unfair dismissal jurisdiction of the **Fair Work Act 2009 (Cth)** and the **Small Business Fair Dismissal Code** apply to a business.
- It is important that all small business employers are aware of this new method of calculating employee headcount and understand how it affects their business.

Long Service Leave

We bring to the attention of our clients a recent decision by FWA which has resulted in significant changes to the application of the law relating to the cashing out of long service leave.

Current arrangements relating to cashing out of long service leave will need to be reviewed.

[Continued]

Self-Managed Superannuation Funds and Collectables



The Government has introduced legislation into Parliament to change the superannuation law to implement strict rules on trustees of self-managed superannuation funds (SMSFs) who make, hold or realise investments that are considered to be "collectables or personal use assets" – for example, artwork, jewellery, antiques, wines, cars and recreational boats.

Once enacted, the new rules will apply to investment made before, on or after 1 July 2011. The Government had earlier indicated that it would implement a 5-year transitional period to allow trustees to dispose of existing assets that do not satisfy the new rules. ■

FBT Rates and Thresholds for 2011–12

The ATO has announced important FBT rates and thresholds for the 2011–12 FBT year that commenced on 1 April 2011.

Some of the key rates and thresholds include:

- **The benchmark interest rate is 7.80% pa** (was 6.65% pa for the 2010–11 FBT year).
- **The record-keeping exemption threshold is \$7,391** (was \$7,190 for the 2010–11 FBT year). ■

Car Expenses – Rates per Kilometre for 2010–11

The Government has announced the "cents per kilometre" rates for calculating tax deductions for car expenses for the 2010–11 income year – note they are **unchanged from 2009–10** and are:

- **SMALL CAR** (non-rotary engine up to 1600cc, or rotary engine up to 800cc): **63c / km.**
- **MEDIUM CAR** (non-rotary engine 1601–2600cc, or rotary engine 801–1300cc): **74c / km.**
- **LARGE CAR** (non-rotary engine 2601cc and above, or rotary engine 1300cc and above): **75c / km.** ■

Cash Sales Benchmarks Withdrawn

We bring to the attention of our clients that the ATO's cash sales benchmarks for the 2009 year, released in November 2010 have been withdrawn from use. Industries covered include:

- Beauty services ■ Fuel retailing ■ Meat retailing and butchers
- Clothing retailing ■ Garden supplies retailing ■ Newsagents
- Coffee shops ■ Grocery retailing and general stores
- Pubs, taverns and bars ■ Florists ■ Hairdressers ■ Restaurants
- Fruit and vegetable retailing ■ Takeaway food services
- Hardware and building supplies retailing

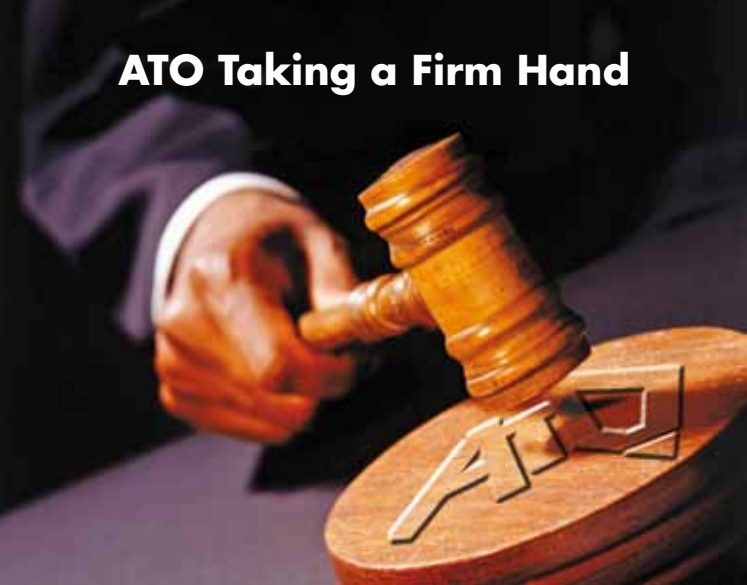
The ATO is refreshing the data used to calculate these benchmarks and will release updated cash sales benchmarks for 2010 later this year.

The ATO's current audit work involving these benchmarks will be limited to a review of taxpayers' records and where appropriate will provide advice on areas where these records can be improved. The ATO will continue to monitor their performance against benchmarks in future years.

Should you have any questions in relation to the above please do not hesitate to contact your Business Services Director / Partner. ■

David Lissauer, Sothertons Melbourne.

ATO Taking a Firm Hand



There has been significant press coverage over the past few months with respect to the fact that the ATO is taking a far firmer position with clients that are delinquent with their tax.

Unfortunately the ATO seems to be taking the attitude in some cases that the sledge hammer approach is appropriate without giving any warning to Tax agents nor are they always correct in their assessment of a client's outstanding position.

The official line the ATO takes is as follows.

Firmer action will not be taken if you are complying with an agreed payment arrangement, including lodging and paying current obligations on time.

However firmer action will be taken by the ATO under the following circumstances:

- When clients or their tax agents chose to ignore all attempts by the department to deal with the outstanding debt;
- When clients repeatedly default on payment arrangements;
- Where a debt is escalating and there is no evidence of the taxpayer being able to meet their ongoing tax obligations;
- In the case where a client has been subject to an audit by the ATO and where it was found there was deliberate avoidance and payment avoidance is continuing;
- For business operators, where there is evidence that liquidation is orchestrated to avoid financial obligations, without risking assets and with the full intention of resuming business operations through a new entity (known as 'phoenix' activity).

[Continued]

Action the Taxation Commissioner will resort to in the above cases will include one of more of the following:

- Issuing a notice to a third party (for example a bank) who owes the defaulting taxpayer money or holds money on the taxpayer's behalf requiring them to pay all or part of that money to the ATO (known as a garnishee notice);
- Initiating bankruptcy or wind-up proceedings, beginning with the issuing of a summons/statutory demand;
- Pursuing company directors personally for the PAYGW component of the debt (director penalties);
- Issuing a writ/warrant of execution authorising the seizure and sale of property to pay a judgment debt plus costs;
- In rare circumstances requiring the payment of a bond or provide security in respect of any tax-related liability that the Commissioner thinks may be at risk of not being paid.

Action that may be considered by the Taxation Commissioner in the case of taxpayers where firm action is threatened to be taken include the following:

- Pay the outstanding tax in full, or agreed lump sum payment
- Payment of a significant lump sum of the outstanding liability whilst concurrently entering into a direct debit payment arrangement for the balance of the debt.
- For businesses with a debt greater than \$100,000, the business advisors will need to demonstrate that the business is viable before firmer action is deferred. The ATO will detail the information required for the department to assess the business's viability.

Where clients find themselves in the position of not being able to meet their taxation obligations or believe that moving forward they will not be able to meet their liabilities it is imperative that they immediately contact their Accounting Services Director / Partner who will liaise with the Australian Taxation Office on their behalf. ■

David Lissauer, Sothertons Melbourne.

Stronger Super

On 16 December 2010, the Federal Government responded to the recommendations in the Superannuation System Review.

As part of this review the Stronger Super package will introduce significant changes to the Superannuation system which the Government believes will lead to efficiencies for both members and their Superannuation Funds' managers.

The proposals include the following:

- The creation of a new simple, low-cost default super product called **MySuper**;
- Make the processing of everyday transactions easier, cheaper and faster, through the **SuperStream** package of measures; and
- strengthen the governance, integrity and regulatory settings of the superannuation system, including those in relation to **Self Managed Superannuation Funds (SMSFs)**.

Those clients who would like more detailed information in relation to the proposed stronger changes can find further details at the following website: strongersuper.treasury.gov.au. Alternatively, they can contact the Superannuation Director / Partner in their own state.

Please be aware the proposed changes have not yet received royal assent and are therefore not law. They will come into effect over the period 1 July 2011 to 1 July 2015 once passed. ■

Peter Pryn, Sothertons Melbourne.

Casual Employees

There seems to be much confusion in the market place as to what constitutes a casual employee. Many employers truly believe that they have casuals when in fact they do not.

A recent Federal Court decision held that: "True Casual employment is characterised by informality, uncertainty and irregularity of work".

In that decision the employee was awarded unpaid leave and the employer was heavily fined .

It would pay all clients to review their own circumstances and obtain a sign off by a suitably qualified employment lawyer.

Should clients not have an employment lawyer we ask that you contact your accounting services Director / Partner who will be happy to make a suitable recommendation suiting your clients particular circumstances. ■

David Lissauer, Sothertons Melbourne.

Sothertons Charity and Not-for-Profit Clientele

Sothertons Offices throughout Australasia serve an extensive list of Charities and Not for Profit organisations, many of which on a pro bono basis. These include a broad range of entities including:

■ Queensland Music Festival (Queensland's Biennial Music Festival);
■ Life Plan Recreation and Leisure Association (Perth based Disabled Youth Community access programme); ■ Cure for Life Foundation;
■ Jewish Film Foundation; ■ Parkinson's Queensland Inc.;
■ Australian Youth Orchestra; ■ Gladstone Aboriginal & Islanders Co-Operative Society Limited; ■ Mobile GP Pty Ltd (West Australian GP medical services to street kids with drug and alcohol addiction);
■ Holland Park & District Meals On Wheels Inc.; ■ Australian Jewish Humanitarian Relief Trust; ■ The Pinnacle Foundation; ■ Trinity College Gladstone Limited; ■ DEBRA – supporting people that have an incurable skin condition Epidermolysis Bullosa; ■ Community Food SA Inc. which offers affordable food and associated support services to people with low incomes.

plus numerous sporting bodies, industry networks, associations and educational and religious organisations.

Following is a new pro bono client of Sothertons Melbourne.

The Choir of Hope and Inspiration (formerly known as the Choir of Hard Knocks) began rehearsing in September 2006 under the leadership of Founding Music Director, Dr Jonathon Welch AM.

Created specifically for people experiencing homelessness and disadvantage, Jonathon's original inspiration for creating such choirs came from reading an article about the Montreal Homeless Men's Choir whilst in Canada.

The Choir members have been acclaimed and awarded for their hard work, talent and commitment since inception, including a Logie and Platinum and Gold ARIA awards. The Choir was also very proud to receive a coveted **Helpmann Award**, for Most Outstanding Special Event, for their sellout concerts at the Sydney Opera House.

Now almost five years on, the Choir of Hope and Inspiration still rehearses weekly but most importantly, the ongoing and regular contact the Choir provides to the members has had a profound effect on their lives, leading many of the original 52 back to either part time or full time study or work.

Former Prime Minister of Australia, The Hon. Kevin Rudd, cited the Choir as being one of the most outstanding social inclusion models in the last decade.

The Choir has given many of its members the opportunity to find new purpose in life. Many had become socially excluded due to their

socio-economic circumstances, and the Choir has enabled them to acquire new skills and rebuild personal confidence. It has created long lasting friendships and a unique opportunity for the Choir members to make a positive and enduring contribution back to the Community.

Today, the Choir of Hope and Inspiration is independently run under the auspices of Melbourne Street Choir Inc.

Each Wednesday, the whole group sits down for a meal, exchanges stories, shares the ups and downs of their lives and enjoys the wonderful sense of support and camaraderie that so strongly underpins the reason why the Choir is such an important element of its members' lives. Given the many achievements and awards of the Choir it would be easy for it to rest on its laurels. However, the Choir has been successful because it has always stretched participants and encouraged them to raise the bar with regard to their own personal performances and those of the Choir as a whole.

"The greatest strength of the Choir model is that it transforms lives".



The experience of being a choir member provides new meaning and purpose to individuals, and an extraordinary vehicle for people previously disconnected with their communities to find new connections and relationships.

The Choir of Hope and Inspiration has been delighted to have Sothertons Chartered Accountants in Melbourne as its auditors, and invites all of Sothertons clients and business associates to visit the Choir of Hope and Inspiration website at

<http://choirofhopeandinspiration.com.au/> ■

Peter Wallbridge, President and Chair, Melbourne Street Choir Inc.



Natural disasters such as the Queensland floods in early 2011 resulted in the tragic loss of lives and wreaked havoc and devastation.

Many businesses and livelihoods suffered severe damage or loss. However, amongst the chaos, it is still important that business owners be aware of the tax implications that may arise from the destruction of their business assets and trading stock (including livestock). ■



Paid Parental Leave Scheme

The Federal Government's Paid Parental Leave scheme commenced on 1 January 2011.

Under the scheme, eligible employees with a child born or adopted on or after 1 January 2011 can take 18 weeks of paid parental leave at the national minimum wage (currently \$570 per week). The new scheme has a number of tax implications, which employers and recipients need to be aware of. ■

Trekking in Peru

Sothertons Gladstone Partner Judy Reynolds took up the challenge on behalf of the StepUP Foundation.

In April, Judy Reynolds (Sothertons Gladstone Partner) successfully trekked through Peru to raise much needed funds for the StepUP Foundation.



The purpose of the StepUP Foundation, a non-profit, is to educate and excite teenagers about the possibilities for their future in business and in life, by bringing high profile, inspirational business, sporting and other leaders and teens together. StepUP events are to coach our future leaders – teenagers from all walks of life – so they become educated and inspired about new possibilities for their own lives. For more information visit- www.stepupfoundation.com/

The following is Judy's account of her adventure.
"If it's possible for me, it's possible for you, it's just a matter of how!"

I have just returned from trekking in Peru to raise much needed funds for the StepUP Foundation and to bring StepUP to the Gladstone community. StepUP's aim is to educate and excite teenagers about the possibilities for their future in business and in life and has played a very positive role in many communities to date.

Participating in the Trek was also an opportunity to check out of the frantic world of business and busy-ness for awhile... to check in with myself... to reconnect with my purpose in life and to be re-energised to reach for new heights and set new goals.

[Continued]



And what better environment than the peaks and valleys of Peru, culminating in the awe inspiring, Macchu Pichu.

I trekked alongside like minded people from all over Australia and was guided by a young Peruvian man who shared his point of view based on a deep understanding of his culture and history passed through the generations – a very powerful message which gave a new dimension to our experience and learning.

StepUP treks are more than just treks... Yes, the trek was physically challenging as we reached heights of over 4600 metres and walked for up to 10 hours a day, and it was important to remain mentally alert given the rugged terrain... but in addition to this we had the opportunity to spend time in the communities... we painted a school building, gave out school books, stationery items, clothing and fruit... we supported ventures who supported their community, we contributed and connected with the people of Peru and that was extremely rewarding – what a privilege.



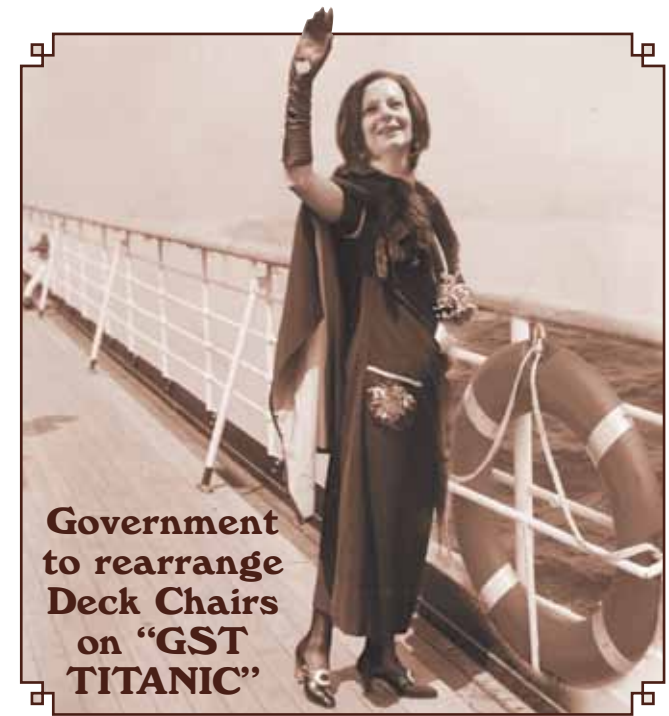
We were challenged to step up and to choose to make positive changes in our lives.

And of course, the 360 degree views were incredible, the landscape dramatic, the wildlife and the people exquisite and the photo opportunities endless.

Thank you to all who supported me in my fundraising efforts – in doing so you have contributed to the future of the teens in our region.

Remember a journey outside is a journey inside... my recommendation... add a Trek in Peru to your life list!! And make it a StepUP Trek.

Judy Reynolds, Partner, Sothertons Gladstone. ■



Government to rearrange Deck Chairs on "GST TITANIC"

Both the Federal Government and Treasury had announced a proposed review of the GST Margin Scheme.

They have suggested a number of significant changes and have acknowledged this area continues to be a difficult and complex area even after numerous changes to the original legislation some eleven years ago. With their announcement they requested input and suggestions from professional bodies.

After reviewing these, the above two bodies have arrived at the significant decision that they will rewrite the order that the current legislation is written in. In the words of expert consultant Max Warlow ***"They are rearranging deck chairs on the Titanic"***.

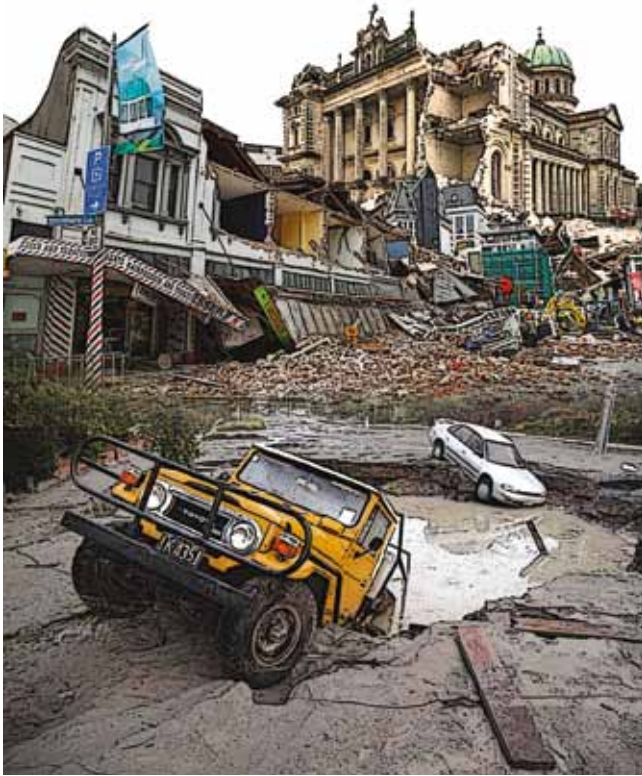
Professional bodies have written to the Government in response to the announcement and the Institute of Chartered Accountants' response was, in the words of Mr Warlow ***"the most damning from a professional body I have sighted"***. We will continue to keep you informed as to how this area unravels.

We remind our clients that this area of the law is complex and advice needs to be taken from experts in this field. For clients affected please contact your Sothertons Director/Partner.

Where necessary, Sothertons draws from a bank of experts including both John Haig in the Melbourne office as well as Max Warlow. Both of these experts will deal with Sothertons clients in each state of Australia. ■

David Lissauer, Sothertons Melbourne.

Sothertons Christchurch Office Earthquake Update



An update from David Studholme, Partner in Sothertons Christchurch office after the recent earthquakes.

As you will be aware the February 22 earthquake was a disastrous event for Christchurch. Although not as severe as the September quake it was much closer to the population centre and very shallow so the resulting damage was significantly worse.

At the time the quake struck we were in our office. It was impossible to stand as the building was shaking so much and anything which could fall over did. We were on the second (top) floor of our building and bricks from the building next door fell through the skylight while the building on the other side started to push in through one wall.

It was obvious that a great deal of damage had occurred outside as the CBD was filled with a thick billowing cloud of dust and the air was full of the sounds of breaking glass and falling masonry.

Our whole team evacuated the building through the adjoining car park and out onto Cashel Street next to the Grand Chancellor with two laptops and that days data backups.

[Continued]

Had we attempted to get out through the buildings on the other side we would not have been able to. That whole structure had by then collapsed with at least one fatality. If you have followed the news reports you will have heard that the Grand Chancellor had also been badly damaged and as this is twenty four stories high we were, in hindsight, very lucky to have escaped at all.

We made our exit down Cashel Mall climbing over piles of rubble and avoiding the dead bodies before getting to more open ground and regrouping. We then all walked home to our respective homes as our vehicles were trapped in parking buildings and not subsequently recovered by police for some time.

Communications were almost impossible and there was a good deal of concern both to let family know we were all alive and to find out if they were alright.

With no power, water or sewage as many people as possible got out of the city for a few days to take the pressure off the utilities. I moved to our holiday home an hour out of Christchurch which whilst damaged at least had power, water, telephone and sewerage and was basically liveable once we had cleared up the chaos inside.

Christ Church Cathedral

[Continued]



Cashel Mall

Sothertons Office

Hotel Grand Chancellor

Our initial assessment of the situation was that we had saved virtually nothing from the office and we would need to get access to a file server to be able to operate at all.

Our IT consultants were able to patch us into a shared server in their office and we had our backups mounted and available within a matter of days with access via the internet. Banking facilities were initially more of a problem as we operate a large trust account facility for clients. Our bankers could not access their Christchurch premises and we had no paperwork to operate on this account with.

The Westpac Bank were very helpful enabling us to effectively run the trust account over the telephone through their Auckland branch and as a result we were able to service our clients funding requirements with little interruption.

We were also able to divert our phone lines to a residential location and set up the office in two houses in different parts of the city based initially around the two laptops we had and using personal printers and furniture.

Skype proved very useful as we were able to communicate with video links between the two houses which kept the team together and avoided tying up the single office phone line.

At the time the earthquake struck we were preparing to visit our lawyer to finalise the purchase of an office property to move to as our current lease was about to expire and the team had been unhappy since the September 'quake.

We are surrounded by tall buildings many of which sustained significant damage in that first quake which left a distinct sense of unease amongst both our clients visiting the office and our team members. Of course our planned meeting with the lawyer did not eventuate and all the documentation for the transaction was lost in collapsed buildings or not readily accessible, and still isn't. [Continued]





With the help of our bank manager and the lawyer we were able to re-document the entire transaction in just over a week and pay the deposit to the land agent's Auckland office only to find some days later that the vendor had tried to cancel the contract by sending an email to our lawyers office post quake.

This email was not retrieved until the lawyer was able to get access to his file server some days later and we were dragged into a stressful and expensive legal argument which I am please to say we have now won. Had we not succeeded we would have had extreme difficulty in securing alternative premises as any building still inhabitable was quickly snapped up by businesses vacating the CBD. All this is a sad reflection on the business morality of some people.

At this stage we have our new office, very little furniture or equipment and no telephone connection to the building. This latter problem will be the most serious as phone exchanges in the outer suburbs are currently overloaded.

Until such time as we can get the telephone connected we will have to remain working out of two houses. We have now contacted most clients and it appears that they have generally been as fortunate as we have been, no deaths and manageable damage.

The taxation authorities have been very accommodating so far but there is a fair bit of forensic accounting to be done to create the necessary statutory reporting for clients where most of the source data has been lost. At the time of the quake we had perhaps a dozen jobs in the office unstarted and some of these were hand written records so their recovery will be an interesting exercise.

Like you we have a GST regime which will give us total financial movements once we retrieve copies of the past years returns from the Inland Revenue Dept.

[Continued]

The most frustrating aspect now is can we ever get access to our old office to recover paper records. There is little information coming out from the authorities and heavy security around the inner CBD where our office is.

There are stories and rumours aplenty ranging from limited access in the near future to having to wait for a year at least until the 24 storey Grand Chancellor [pictured below showing the extreme lean of building] is demolished to any recovery being unlikely if they blow the Grand Chancellor up.

As a result we cannot wait for these events to unfold and we are spending a lot of time recreating records from a variety of sources so that we can continue with our work. We also have little idea of what insurance proceeds will become available as



the fate of the office is still uncertain and to date we have only been able to make claims for rewriting records and relocation costs which will not cover the cost of a new file server and much of the facilities we have enjoyed in the past. As a result our new office, once we get there, will have very minimal facilities until such time as the insurance situation is clarified.

Data communication speeds are very slow which makes operating on a distant file server a painful exercise in patients even for a slow keyboard operator such as myself but this will probably not improve until such time as we can get our own file server again.

What have we learned from this disaster? Good data backups are essential and it is vital that these are checked regularly to make sure they are working correctly.

Some people have found that they have failed on one or both counts. Where possible all essential documents should be scanned and kept in electronic form.

We have concerns that we may not recover the Minute Books we have in the office for our trusts and companies and whilst we have the original word documents these are of course not signed.

[Continued]

Likewise we were holding a number of passports for clients which will now have to be replaced.

Luckily with most share broking now being conducted electronically we have very little Scrip in safe keeping and good access to the electronic data held by sharebrokers and share registries.

We have been scanning all legal documentation coming through the office for some time and some of this will be very useful as several legal offices have themselves been demolished with the records still inside. The biggest lesson however is to be patient and cheerful as it is very easy to get swamped with the daily worries and frustrations which can quickly become very stressful.

Normalcy is still some time off and it will take many years to rebuild our shattered city but there is a strong sense of resolve amongst the Christchurch residents to get on and get the city up and running again. We all hope that bureaucracy will not stifle this desire.

Regards, David Studholme

Reply from our IGAF Colleagues in Japan after the Earthquake and Tsunami.

Dear David Lissauer,

Thank you for email. The Earthquake and Tsunami in Japan hugely damaged the Northern Kanto area around Tokyo and North Eastern Japan close to Pacific mainly. Additionally, the earthquake of North Eastern Japan seems to have been caused by another earthquake in the Niigata Nagano area .

But everybody at the Nagoya head office and Tokyo branch is OK. There was damage to our colleagues and some families have not heard so far. So far we are OK.

And thanks to support from around the world, and Japan will revive soon, I'm sure. Thank you so much.

Kind regards, Tomoyuki Shinkai
Representative Partner Cosmos & Co.
(A member of IGAF Asia-Pacific) ■

Accountancy Services

- Maintenance of accounting records.
- Financial statement preparation.
- Statutory financial statements.
- Provision of financial statements with variance to budget.
- Maintenance of detailed fixed asset registers.

Audit Services

- Audit of all business entities.
- Audit of superannuation funds.
- Audit of solicitor & estate agent trust accounts.
- Audit of travel agents for IATA & TCF purposes.
- Management & internal control audits to review operations.
- GST review audits.
- EITE Assurance Provider
- Audits conforming to current Export Development Grant requirements (EDG)

Succession Arrangements & Planning

- Estate & succession planning.
- Co-operation with clients' solicitors in preparation & updating of wills.
- Administration of deceased estates.

Superannuation Advice

For all superannuation matters including

- Setting up self managed super funds
- Transition to retirement matters
- Pension funds

Financial Planning

- Financial planning is referral to "Grauman & Trackman Financial Planning" who provide a professional full fee for service to all clients.

Forensic Accounting

- Review & investigation of businesses.
- Valuations.
- Matrimonial & business disputes.
- Quantification of loss.
- Due diligence.

Business Management Services

Our innovative services include:-

- Business planning.
- Budgeting & cash flow projections.
- Development & regular monitoring of Key Performance Indicators (K.P.I's).
- Regular review of management information & analysis of variations to budget.
- Applications for finance.
- Valuations of businesses & companies.
- Accessing venture capital financing, private equity, Federal & State grants in conjunction with alliance partner Pyksis

Corporate Secretarial Services

- Provision of shelf companies.
- Maintenance of company secretarial requirements.
- Preparation & filing of annual corporate documentation.
- Provision of Registered Office.
- Company search information.
- Registration of business & domain names.

Taxation

- Advice & information in relation to changes in federal & state tax laws.
- Advice in relation to international tax.
- Complete taxation compliance service including the preparation & lodgement of returns for Income Tax, Fringe Benefits, Payroll Tax, Land Tax, GST, PAYG, WorkCover & other returns as required by federal & state law.
- Advice on tax implications of the purchase, sale or exchange of any assets.
- Review of contracts, business agreements & other proposals in terms of tax implications.

Strategies

Provision of management & consulting services to medium large business, both public & private across a wide variety of industry groups, including:

- Healthcare • Retail • Transport
- Import • Hospitality • Financial

Seminars

These add value to clients across our range of sector & industry specialisations. To date these have included:

- Superannuation • Internet marketing
- Tax aspects affecting family separation



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