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CLIENT NEWSLETTER



Adam Hunter Pty Ltd

CERTIFIED PRACTICING ACCOUNTANTS

Professional Practices Network

Welcoming to Adam Hunter Pty Ltd

Adam Hunter has experience another exciting year, continuing to flourish despite the slow-down in business activity throughout Australia. The office has grown, and in response to the feedback received from our clients we have expanded our range of services to include Financial Planning and Bookkeeping Services.

Financial Planning and Investment Advice:

Our new financial planning arm; Indian Ocean Financial Services is headed by Mick Steffan. Mick is a Certified Financial Planner and Self Managed Superannuation Fund Specialist. Mick has over 15 years of experience in Geraldton. Contrary to other financial planners in Geraldton, Mick's services are charged at an hourly rate, similar to that of your accountant. For more information about Mick and the services he has on offer, please refer to page 4 of the newsletter, or phone him on 08 9950 0349.

Bookkeeping, Cash-flow and Administration Services:

Adam Hunter has expanded their bookkeeping department, contracting three new professionals;

- Berni Brimson is the principal of Harmony Bookkeeping, and will be working closely with our office manager Beth Major to keep up with the high demand in administration and bookkeeping services. To contact Berni, please phone 08 9950 0327.
- Donna Exten is our Agrimaster and Cash-flow Manager support officer.
- Georgina Grimley is our MYOB, Quickbooks and BankLink expert.

Please feel free to phone on 08 9923 1174 if you wish to speak with any of the new book-keepers at our office.

New Taxable Payment Reporting - Building and Construction Industry

From 1st July 2012 there is a new reporting requirement for business in the building and construction industry. Businesses must report to the ATO the total payments made to each contractor throughout the year .

For each contractor, you need to report the following details each financial year on the taxable payments annual report:

- ABN
- Name
- Address
- Gross Amount you paid for the financial year (this is the total paid including GST)
- Total GST included in the gross amount you paid.

Quarterly Superannuation Reminder

Clients who have employees are reminded that they need to pay superannuation quarterly for eligible employees (generally those who are paid \$450 gross or more per month) Payment needs to be made by the 28th day of the month following each quarters end.

If an employer misses the super guarantee quarterly deadline, they must submit a *Superannuation guarantee charge (SGC) statement—quarterly* (NAT 9599) to the ATO.

The SGC is payable if the employer:

- does not pay enough super contributions for their eligible employees (minimum 9% of OTE);
- does not pay super contributions for the quarter at all;
- does not pay super to the employee's chosen super fund; or
- pays a super contribution to a fund after the cut-off date for payment.

Note, an employer may be able to offset the late payment against their SGC liability. For more information visit www.ato.gov.au/employer_super.

Cents per Kilometre Rates

You can use this method to claim up to a maximum of 5,000 business kilometres per car, even if you have travelled more than 5,000 business kilometres.

For example, if you travelled 5,085 business kilometres, you can only claim the cost of travelling 5,000 kilometres with this method. You cannot claim for the extra 85 kilometres.

You do not need written evidence, however you may need to be able to show how you worked out your business kilometres.

The rates for the 2010-11 year are presented in the table below:

Ordinary Car	Rotary Engine Car	Rate per km
1,600cc (1.6 litre) or less	800cc (0.8 litre) or less	\$0.63
1,601-2,600cc (1.601 litre - 2.6 litre)	801cc -1, 300cc (0.801 litre - 1.3 litre)	\$0.74
2,601cc (2.601 litre) and over	1,301cc (1.301 litre) and over	\$0.75

Bookkeeping Tips - End of Financial Year

With the end of another financial year almost upon us, it is time to consider what we will need for the 30th June.

The following is a list of requirements. Check with your accountant if anything further is required.

- Stock-take of all stock on hand as at 30th June 2012 (this includes animals where appropriate).
- Take odometer readings for vehicles. This is a **must** for taxpayers who claim a percentage or all of their motor vehicle costs.
- Review debtors and creditors, and have correct lists as at 30th June. If you are using a cashbook program, ensure they all are current and correct. Write-off any bad debts.
- Reconcile all bank accounts as at 30th June, even if your bank statement goes beyond that date. Print a copy of the bank reconciliation to have on file for your accountant.

REMINDER- Log Books

Is your log book up to date or do you need to start a new log book? If so then please note the following ATO requirements:

- * It must cover 12 continuous weeks, reflecting a usual 12 week period during the year;
- * States when the log book begins and ends;
- * The total number of kilometres travelled during the logbook period;
- * The number of kilometres travelled for work activities;
- * Details of each business trip including the date, odometer reading at the start and end of the trip, and the reason for the trip;
- * If you want to use the logbook method for two or more cars, the logbook for each car must cover the same period.

Log books for Internet, Computer and Telephone use must be maintained for 4 weeks minimum.

Back Up Disks

These days many accounting programs can have several versions. To help us when restoring your accounting data, please ensure that the CD, email, or memory stick is clearly marked with the version of the program you are using. If you are unsure which version you are using please contact our office for assistance.

Tax Table Updates

Clients who pay wages to employees need to be aware that the tax rates will change from July 1st. You will need to update withholding charts or install new withholding rates to accounting programs so that the correct amount of withholding tax is paid.

Changes to Personal Income Tax Rates and Thresholds

As part of the Australian Government's plan for a clean energy future, changes to the personal income tax system are taking place. From 1 July 2012, the tax-free threshold will rise from \$6,000 to \$18,200, and the maximum value of the Low-income tax offset (LITO) will be reduced from \$1,500 to \$445.

The tables below show the current financial year income tax rates and thresholds, and the new rates and thresholds that will apply from 1 July 2012.

Resident Individual – 2011/12	
Taxable Income ¹ (\$)	Tax Payable ²
\$0 - \$6,000	Nil
\$6,001 - \$37,000	15c for each \$1 over \$6,000
\$37,001 - \$80,000	\$4,650 + 30c for each \$1 over \$37,000
\$80,001 - \$180,000	\$17,550 + 37c for each \$1 over \$80,000
\$180,001 and over	\$54,550 + 45c of excess over \$180,000

Resident Individual – 2012/13	
Taxable Income ¹ (\$)	Tax Payable ²
\$0 - \$18,200	Nil
\$18,201 - \$37,000	19c for each \$1 over \$18,200
\$37,001 - \$80,000	\$3,572 + 32.5c for each \$1 over \$37,000
\$80,001 - \$180,000	\$17,547 + 37c for each \$1 over \$80,000
\$180,001 and over	\$54,547 + 45c of excess over \$180,000

1. The tax-free threshold may effectively be higher for tax payers eligible for the low-income tax offset, the Senior Australians Tax Offset and/or certain other tax offsets.
2. The above rates do not include the Medicare Levy of 1.5%, or the Medicare Levy Surcharge rates.

Changes to Fuel Tax Credits

From 1 July 2012, the following Fuel Tax Credit rates for taxable liquid fuels will apply:

Business Use	Eligible Liquid Fuels	Fuel acquired from 1 July 2012
In a vehicle greater than 4.5 tonne GVM on public road	Liquid fuel—diesel or petrol	12.643*
Specified off road activities in: Agriculture, Fishing, Forestry	Liquid fuel—diesel or petrol	38.143
Other off-road activities where the fuel is combusted (mining, construction, landscaping etc.)	Petrol	32.623
	Diesel and other liquid fuels	31.933
Non-combustible use	Liquid fuels—diesel or petrol	38.143
Packaging fuels in containers of 20litres or less	Mineral turpentine, white spirit, kerosene and certain others	38.143
Supply fuel for domestic heating	Heating oil and kerosene	31.933

* This rate applies from 1 July 2012 and accounts for the road user charge, which is subject to change
 For any further information on the fuel tax credits visit the ATO website on: www.ato.gov.au/

INTRODUCING MICK STEFFAN - INDIAN OCEAN FINANCIAL SERVICES

Welcome to Indian Ocean Financial Services (IFSWA)

My name is Mick Steffan and I would like to introduce you to the exciting world of financial planning which includes:

- Cash flow, budgeting and debt management
- Wealth creation, investments, superannuation and retirement planning
- Personal insurance, including income protection insurance
- Taxation, succession, and estate planning



IFSWA is a joint venture between Adam Hunter Pty Ltd and myself, with a business vision to provide clients with honest, independent and professional financial advice of the highest calibre.

IFSWA is very different from all other financial planning businesses in the Midwest for the following reasons:

1. IFSWA charges an hourly rate for all services provided comparable with that of your accountant. That is, no commission.
2. IFSWA is independent from any bank, insurance company or other financial institution thereby avoiding any conflict of interests.
3. IFSWA works closely with your accountant to achieve the best possible outcomes.

Guaranteed Value-Added Promise:

As part of our vision I will be assisting clients only when I can add additional value above the cost of advice. For this reason I have introduced a special introduction offer as follows:

1. The first appointment is **free of charge** and aims at assessing whether our advice can add any value to you, your family, or any other related entities. Please note that we do not give personal advice at this stage.
2. After the first appointment I will send you a letter of engagement, which includes an indication of the areas that may require advice, as well as a quote for the initial advice creation. This letter is also provided to you **free of charge**.
3. If you feel our services will add value to the proposed advice areas, and you are comfortable with me as your adviser, you can commit to the creation of a personal financial advice document by giving the go ahead via phone, email or in person.

If you wish to know any further information about myself, financial planning and Indian Ocean Financial Services, please call 08 9950 0349 or visit our website: www.ifswa.com.au

Yours sincerely,

Michel Steffan

Mick Steffan, M.Taxation, B.Bus & Dip.FP
 Certified Financial Planner™ Professional & Specialist SMSF Advisor™
 Registered Taxation Agent and Authorised Representative of AFSL 34766

Adam Hunter Pty Ltd are Professional Partners of:

