



NEWSLETTER
April/May 2012

HIGHLIGHTS

Tax Time is nigh

Personal Tax Changes

National Employment Standards

Cloud Accounting

Fair Work & Fair Dismissal

**Take charge
of your
life today**

Your last chance to save tax for 2012!

Its almost June 30 once again and that means tax time is almost here. It also means the clock is ticking if you're planning to implement tax planning activities.

What is tax planning? It's all about being strategic about the tax liabilities that you are going to incur for the tax year that will end on 30 June 2012.

Most folks don't know there are a staggering 30+ areas in which you can save tax! Legally of course.

However, all of them need to be in place before the end of the tax year AND must be considered in the context of your personal situation.

Very importantly, they will need to be attended to prior to the end of the financial year - we suggest contacting us by no later than 15 May 2012 to discuss.

Importantly, tax planning activities aren't limited to just businesses, they are also relevant to individuals.

Most tax planning falls into two areas:

- deferral of income
- acceleration of expenses

By doing so, the net effect is that your taxable income for the year is reduced, thereby reducing the amount of tax you have to pay.

We're not advocating that you avoid paying tax, rather that you pay what is your fair share.

There is a very large caveat to many tax planning activities however. Cash flow. If you're deferring income, you will need money to operate or live on in the interim. Similarly if you're expending more money on expenses you will need the cash or finance available to meet those expenses.

If you would like to discuss whether tax planning is relevant to your situation, we encourage you to give us a call.

Be quick though, the window is closing. Pay the right amount of tax this year!

Personal Income Tax Changes for 2012/13

2012/13 will see marginal tax rates shift for many taxpayers. As of July 1 the new tax rates will be as follows:

Income	Marginal Tax Rate	Tax Payable
\$0 – \$18,200	Nil	Nil
\$18,201 - \$37,000	19%	19 cents for each \$1 over \$18,200
\$37,001 - \$80,000	32.5%	\$3,572 plus 32.5 cents for each \$1 over \$37,000
\$80,001 - \$180,000	37%	\$17,547 plus 37 cents for each \$1 over \$80,000
\$180,001 +	45%	\$54,547 plus 45 cents for each \$1 over \$180,000

The most apparent change in the tax tables is the shift of the tax free threshold from \$6,000 to \$18,200.

The rate of taxation for those employees \$18,201-\$37,000 has raised from 15c for each dollar over \$6001 to 19c for every dollar over \$18,200.

The marginal rate for each dollar earned over \$37,001 remains as per prior taxation rates however with the shift of the tax free threshold higher, all taxpayers earning over \$6000 will see a tax break as a result.

Key Tax Changes for 2012

- Personal Health Insurance
- Medicare Levy
- Dependant Spouse Rebate
- Govt Co-Contribution
- Carbon Tax & More

More details in our Budget newsletter.

National Employment Standards

The Fair Work Act 2009 sets out 10 minimum standards of employment - its important that your business is compliant.

These 10 standards relate to a range of work provisions, predominantly around working conditions such as leave (annual, carers/parental leave, long service leave & public holidays), maximum hours worked, flexible working arrangements for parents and carers, termination pay.

For new employees, It is also a responsibility of the employer to provide a Fair Work Information Statement that details 'information about the NES, modern awards, agreement making, the right to freedom of association, termination of employment, individual flexibility arrangements, right of entry, transfer of business and the respective roles of Fair Work Australia & the Fair Work Ombudsman.'

For employers it is imperative that you assess your business for compliance with the Fair Work Act and to this end, there are many resources available on the Fair Work Ombudsman's website including fact sheets that spell out your requirements. There are also checklists you can use to assess your compliance. If you are not familiar with your obligations, we highly recommend you schedule time for review as some provisions have penalties attached should your business not be compliant.

(Source www.fairwork.gov.au)

Head in the Cloud (Cloud Accounting that is)

Cloud based accounting systems are changing the face of accounting software and in turn driving major benefits to users. Here's why you should be considering it for your business.

What is Cloud Accounting?

It is where you store your accounting data on an internet server rather than a single computer or server at your office

Benefits of the Cloud

Access for you

Your data can be accessed readily wherever you and an internet connection exists. At home, at the office, at a hotel in Hawaii or Hamilton Island.

Becoming more Mainstream

All of the major producers are HEAVILY investing in cloud accounting systems. Why? Because the cloud is the next logical progression of accounting software.

Efficiency

Rob Nixon, CEO of Proactive Accountants Network, has estimated that Cloud Accounting will generate efficiencies of between 10-40%. This means business owners and accountants can focus in greater detail on developing the business not just getting the data ready.

Data Redundancy

Your data is sitting in the cloud meaning it is backed up and you don't have to worry about if something happens at your office. Or to your backups. And program updates will be done automatically!

Access for your accountant.

One of the great roadblocks to us as accountants in assisting business to develop is that we're often working on historical data - last quarter or last year. This way we can look at real time data and provide timely suggestions around your Key Performance Indicators.

Brindleys are able to support a number of cloud platforms and are Accounting Partners with Xero and an MYOB Certified Consultant.



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Aside from traditional accounting, taxation and business services, we also offer:

- ✓ Financial Planning
- ✓ Superannuation and Retirement Advice
- ✓ Wealth Protection
- ✓ Business Loans and Leasing
- ✓ Share Buying and Selling

If you require any further information or advice in respect of the matters referred to in this newsletter or any other matters regarding your business and financial circumstances do not hesitate to contact us on
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(Un)Fair Dismissal

Whenever the words "Unfair Dismissal" come up, small business owners everywhere shudder with anxiety. Fair Work Australia have recently updated their Fair Dismissal Code.

The Small Business Fair Dismissal code relates to businesses with less than 15 employees and provides a clear code on appropriate actions that relate to the dismissal of staff. It also has a very handy checklist that can be used and we highly recommend your becoming familiar with this before taking action against a staff member.

Summary Dismissal—the code provides if an employee displays serious misconduct such as theft, fraud, violence or seriously breaches occupational health and safety procedures they can be dismissed without notice.

Other than the above, it is important that the employee is given a reason as to why they are in jeopardy of being terminated.

The code also distinguishes there is a clear difference between redundancy & dismissal and it is important employers establish any redundancies are made genuinely and in accordance with section 389 of the Fair Work Act.

The Small Business Fair Dismissal Checklist is a very straightforward checklist stepping through 10 simple questions that help you determine that all your actions have been in accordance with the code. Again, it is important for the employer to be familiar with this before action relating to an impending or actual dismissal occurs.

Checklist and other resources can be found at www.fairwork.gov.au

Be sure of your action - review the code today.