

## Get to know our clients...

We're Mark and Tracy Larsen, owners and managers of Australian Data Industries (ADI) Pty Ltd, a wholly Australian family owned and operated electrical contracting company.

Mark started our as a sole trader company in 1985 after becoming a qualified electrician, which he then incorporated in 1989 to become ADI. As well as being electricians, we also specialise in delivering reliable and cost effective cabling solutions to satisfy any communication requirement. The ADI field team are all fully licensed and qualified electricians and cabling technicians, supported by a 20/20 Krone endorsed warranty which covers Krone equipment installations for 20 years.

ADI primarily operate in South East Queensland, but we can provide portable solutions with our Mobile Communications Rooms, which we will transport anywhere.

We were unhappy with our previous accountants as they did not seem to value our custom and we were not confident in their expertise. A friend recommended Roz and we have been pleasantly surprised. When visiting her office we are warmly welcomed by Roz and her staff. Roz accords us her undivided attention during our meetings and always delivers intelligent and comprehensive information. We particularly like the way Roz is proactive in our business by requiring regular communication to spot check our financial condition. We are already seeing the benefits of her expertise and we are very comfortable in highly recommending Roz Lahey Accounting to all.



AUSTRALIAN DATA INDUSTRIES Pty. Ltd  
ABN 64 050 413 173

# RLA Insight

From your trusted accountant



Edition 3 • December 2013



## From the Director, Roz Lahey

They say the older you get, the faster the year passes by, and this has definitely been the case for me this year! It honestly feels like just yesterday I was shopping for 2012 Christmas presents.

In our last edition of RLA Insight I said how hard it's been for business in the last 12 to 18 months. With the new federal government now settling in, there is hope of some confidence returning to business, and projects that have been on hold being released. That being said, there are still a number of businesses doing it tough and just hanging in there – I'm hopeful 2014 will be more prosperous for all. There's more information on tax

changes from the new government in this edition.

The team at RLA have progressed well with our introduction to a semi-paperless office. It's taken me time to commit to this procedure, but I can certainly see the benefits in our office environment and for our future. I don't think we'll ever be a 100% paperless office, but the process so far has eliminated large bulky files from my desk and replaced them with electronic copies on our computers. Keep in mind, if you want electronic copies of your paperwork (via email) in the future, instead of hard copies, please let us know. I am sure your office also can do with a little less paper.

In this final edition of RLA Insight for 2013, we round out the year with a number of things to be aware of from the Australian Tax Office, and some advice if you're purchasing Christmas gifts for clients or staff.

To all of my valued clients, I want to take this opportunity to thank you for your loyalty throughout the year, and wish you a very happy and safe Christmas. Take the time to enjoy your break with family and loved ones (for those who get a break that is), and I look forward to working with you in the new year.

Our office will be closed from 1pm on Friday 20 December and re-opening Monday 6 January 2014.

Roz

## CPI – September quarter 2013

The Consumer Price Index (CPI) factor for the September 2013 quarter is 104.0 (an increase of 1.2 from the June quarter of 102.8).

## Reminder

Don't forget Roz will be away on leave from the 24 April to 26 May 2014.

The office will be managed by Don and Sarda, both qualified accountants, and off course Tracey will be on hand for all general enquiries. If you are dragging the chain with getting your work in this year, this might give you a little push.

**ACCOUNTANT'S JOKE** A young accounting graduate, fresh out of university and knowing everything, applied for his first job. The prospective employer asked him his starting salary expectations.

"Oh, around \$100,000 a year, depending on the benefits package", the grad replied.

"Well, how does this sound? Five weeks annual leave, 22.5% superannuation, paid expenses to overseas conferences every year, home telephone reimbursed and a company car replaced every 20,000 kilometres... say a Mercedes convertible", the employer responded.

The graduate sat up straight and tried not to look excited. "Wow. Are you kidding?"

"Yeah, but you started it", the employer said.

## Get in touch with us today...

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## Providing Christmas gifts that are FBT exempt and tax deductible

### It's that time of year when employers want to recognise their employees, key clients and suppliers with Christmas gifts.

Where a Christmas gift is not considered 'entertainment' (such as a ticket to the theatre, movie or sporting event), an employer can avoid paying Fringe Benefit Tax (FBT) while still being eligible to claim a full tax deduction for the cost of the gift.

Examples of non-entertainment gifts include Christmas hampers, a bottle of wine or whiskey, gift voucher, flowers, a pen set or a bottle of perfume/cologne.

Where non-entertainment gifts are provided to employees and their family members at a cost of less than \$300 each, they qualify for the minor benefits exemption.

No excuse not to spoil your staff and clients!



Roz Lahey  
ACCOUNTING PTY LTD

# ATO updates...

## Beware - ATO warns of spike in email scams

**The Australian Taxation Office (ATO) is warning taxpayers to protect their personal and financial details following a sharp spike in reports of tax related email scams.**

Feedback indicates many of our RLA clients have seen these emails.

Since June, reports from the public of 'phishing' scams have quadrupled from 3,586 to 15,441 compared with the same period last year.

"While the public is reporting scam emails to the ATO in increasing numbers, scammers are also becoming more sophisticated in the way they trick taxpayers into handing over their personal details", Tax Commissioner Chris Jordan said.

"We advise people to be vigilant of emails that mimic the ATO's online publications. Think very carefully before clicking on links and attachments in emails or on social networking sites.

"The ATO will never send taxpayers an email asking them to confirm, update or disclose confidential information including our name, date of birth, home address, passwords or credit card details".



## ATO to target work-related expense claims

This year the ATO is paying particular attention to a range of industries and occupations including:

- building and construction project managers and supervisors
- building and construction labourers
- sales and marketing managers.

The ATO has advised they will also be looking closely at:

- overnight travel expense claims
- claims for transporting bulky tools and equipment.

Make sure you take the time to have your receipts in order and log books validated.



## ATO data matching program – attention carers

The ATO has advised it will request and collect records relating to approximately 600,000 individuals receiving 'Carer Allowance' or 'Carer Allowance Healthcare Card Only' from the 'Department of Human Services – Centrelink program', to ensure claims for the dependent (invalid and carer) tax offset are being made correctly.

### Trouble paying your tax?

**Money gets a bit tight this time of year, but we're finding all too often, if clients can't afford to pay their Business Activity Statement (BAS) or Individual Activity Statement (IAS), they're not lodging them.**

Be aware, non-lodgement of BAS and IAS means the ATO automatically impose late lodgement penalties.

Make sure your BAS and IAS lodgements are on time. Then, if you need help with payment plans, our office can negotiate with the ATO on your behalf.

We are also having success with remittance of penalties and interest from our client accounts. So, make us aware of any issues you are having with your ATO accounts.

On the note of ATO Income Tax Accounts and Integrated Client Accounts, we've

been made aware that some of our clients do not understand how these work.

If you are confused, don't hesitate to come and have a chat so we can make the grey water clear for you.

## Tax changes under the new government

**The new federal government has identified 92 announced, but still unlegislated and unresolved, tax and superannuation changes.**

Not all of these will proceed, however the initiatives that are passed should be legislated in parliament by 1 July 2014.

Specifically, the government will not proceed with the following three measures which directly affect individual and business taxpayers:

- Self education expenses cap – the proposed \$2000 cap on the amount people would be able to deduct as self education expenses, including training and educational courses, textbooks and other accreditation expenses.
- Removal of the Fringe Benefit Tax (FBT) statutory formula method for car fringe benefits.
- Tax on superannuation pensions – proposed new tax on earnings on super assets, which would have taxed superannuation fund income above \$100,000 in the draw-down phase.

The un-enacted measures the government will proceed with include:

- Net medical expenses tax offset phase out – phasing out will allow current claimants to remain eligible for the offset until 2014/15.
- Increase Farm Management Deposits (FMD) threshold – increasing the non-primary production income eligibility threshold for FMD from \$65,000 to \$100,000.
- Dividend washing – preventing 'dividend washing' whereby sophisticated investors can 'double dip' on franking credits (ie. sell the shares pre-dividend, then buy back and receive two lots of dividends with imputation credits).

## Are you sure your 'Independent Contractors' are not 'Employees'?

**Two recent cases have highlighted how important the distinction between 'independent contractors' and 'employees' is.**

In one case, it was held that a plumbing business did not meet its superannuation guarantee obligations in relation to five of its plumbers that it had treated as independent contractors.

In another case between a taxi driver and the taxi owner, the Fair Work Commission held that the relationship between them was one of employer/employee, and therefore the unfair dismissal laws applied to the relationship.

As a general proposition, an independent contractor provides personal services while working in and for his or her own business. An employee provides personal services while working in the employer's business.

This is a hot issue with the ATO at the moment. If you have concerns about your own situation in your business, please make an appointment to discuss.

In the meantime, you can visit the ATO website for advice ([www.ato.gov.au/Calculators-and-tools/Employee-or-contractor/](http://www.ato.gov.au/Calculators-and-tools/Employee-or-contractor/)).

### Future lodgement dates

- **December BAS** – 28 February 2014
- **December IAS** – 21 January 2014
- **Quarterly PAYG** – 28 February 2014