



3 important policies for customer service

There are three basics to excellent customer service.

Smile

Service with a smile may sound like a cliché but it works. Your staff will be remembered all the more if, apart from being polite and helpful, they are cheerful and friendly.

Be eager to please

If a customer's request is not a straightforward one, be sure to convey your eagerness to help. The receptionist or sales assistant who sighs loudly in any response to a query, or gives the standard answer "I don't know" or "if it isn't out, we haven't got it" will drive customers to the nearest competitor who does.

Encourage initiative

Train your team to be aware of opportunities to turn tentative queries into sales. In other words seize the chance to promote your company wherever you can.

With competition between companies becoming ever fiercer, effective staff training to encourage excellent customer service will only pay off.

Contact us to learn how we can help you introduce a customer service strategy that will keep them coming back time and time again.



Latest developments for trusts

Trust Deed Review

The High Court (*Bamford's case*) recently provided important guidelines for determining key aspects of trust income and the interaction of trust law concepts with income tax law rules particularly with respect to the taxation treatment of distributions to beneficiaries of trust income including capital gains.

As a result of this decision we will be undertaking a review of all our clients' Trust Deeds to ensure they are up-to-date and provide for the most tax effective distribution of the trust's income.

If your deeds need updating we will advise you prior to proceeding with any variations.

Utilising Corporate Beneficiaries

The Australian Taxation Office (ATO) has recently issued Taxation Ruling TR 2010/3 dealing with Division 7A and trust entitlements and Draft Practice Statement PS LA 3363 dealing with the administrative aspects of TR 2010/3.

These releases have altered the ATO's previous acceptance of long standing practices involving the interaction of Division 7A and trusts.

Briefly, as a result of the ruling the ATO will treat any unpaid present entitlement (UPE) arising on or after 16 December 2009 (and some prior to that date in certain circumstances) as a Division 7A loan.

A UPE means a private company's unpaid present entitlement to an amount from a trust - in other words, an income distribution from a trust to a private company that has not been physically paid. If not treated correctly a deemed dividend may result with the effect that the same amount is taxed twice - once in the hands of the company when the trust makes the distribution and again when the trust is deemed to have received a dividend from the company under Division 7A.

Alternatively, each UPE will have to be under a written loan agreement; if unsecured have a term of no more than 7 years with a minimum annual loan repayment; and be subject to interest as determined by the Commissioner each year. The interest may or may not be deductible depending on the circumstances.

We will be reviewing all loans and UPEs when undertaking 2010 trust compliance work to consider the most appropriate strategy for your family group. However it is uncertain how effective the use of corporate beneficiaries to take advantage of the lower corporate tax rate (currently 30%) will be going forward.



What does it mean? Benchmarking

The comparison of operating figures from one firm with another to assist in achieving best management practise by comparing firms so as to get an understanding of best performance figures, e.g. revenue generated per employee; gross profit percentage; labour to turnover percentages; net profit percentage to turnover; other performance data as compared to the overall industry performance figures.

Staff news

We introduce two Business Services Managers - **Gaz Saman** and **Ross Puglisi**.



Gaz has over 20 years experience as an accountant and business services manager, both in Australia and internationally. His qualifications include a Bachelor of Commerce in Business Studies from the Industry of Commerce. Gaz lives locally with his family and in his spare time enjoys attending little athletics and netball with his daughters. He is also interested in weight training, movies and watching rugby and soccer. His favourite holiday destination is Florida and he's scared to death of heights.



Ross has over 10 years accounting and management experience. His qualifications include a Bachelor of Commerce from Curtin University and he is currently studying for CPA. He is married with a one year old daughter. He enjoys AFL, indoor soccer, boxing and travelling. When he's not working you can find Ross trying to work out the winning lotto numbers.

Staff profiles



Steven Lisle - Accountant

If I didn't work at MP+ I would be... enlisted in the defence force or working for the Australian Taxation Office.

When I'm not working you can find me... down at the beach if it's sunny or making the most of my time off.

I'm obsessed with... keeping my car clean, but it coincidentally always seems to rain once I wash it.

My favourite holiday destination is... relaxing in southern India with my wife whilst sharing a nice icy cold beer.

My greatest achievement is... 3,500ft shy of reaching Mt. Everest Base Camp, next time round the summit!



Sarah Allen - Financial Planning Support

If I didn't work at MP+ I would be... running my own ice cream parlour on the beach of a tropical island.

When I'm not working you can find me... playing with my puppy dogs (or shopping of course).

I'm scared to death of... spiders, bees & pregnancy.

I'm obsessed with... shoes.

My greatest achievement is... choreographing the rock eisteddfod for my school.



Marcus Benson - Accountant

If I didn't work at MP+ I would be... a high flying Stockbroker.

I'm scared to death of... the concept of death itself.

I'm obsessed with... Moonlight.

My favourite holiday destination is... Lancelin.

My greatest achievement is... receiving the Pro Vice Chancellor's prize for my final unit at Uni.

General advice warning: The advice provided is general advice only as, in preparing it, we did not take into account your investment objectives, financial situation or particular needs. Before making a decision on the basis of this advice, you should consider how appropriate the advice is to your particular investment needs, and objectives. Please note that any taxation and accounting services are not endorsed nor the responsibility of Count Financial Limited. Lending services provided via Count's wholly-owned subsidiary finconnect (australia) Pty Ltd, ABN 45 122 896 477, Head Office: Level 19, 1 Alfred St, Sydney 2000. Registered Finance Broker (ACT) #173 106 45, WA Finance Brokers Licence #4292. Count Advisers who provide Residential, Business, and Commercial Finance in WA must hold a WA Finance Broker's Licence.

Business Development Services

- Track your financial performance with monthly, quarterly or annual Financial Statements.
- Identify areas for improvement with Industry Benchmarking.
- Create an easy to understand visual analysis of your financial performance using Key Performance Indicators.
- Achieve the big business competitive edge with cfo2go. Your own Chief Financial Officer with a full time focus and part time cost.
- Know where your business is heading through Projections for profit & loss, balance sheet, cash flow, break even & key ratios.
- Know the likely outcome of a proposed action with Optimist 'What if' Financial Modeling.
- Plan to succeed with a written Business Plan.
- New business Start ups & Due diligence to ensure that you get what you pay for.
- Develop strategies and milestones and achieve results faster with our Client Advisory Board.
- Quantify the potential of your business and the effect of minor change with our Business Diagnostic Report.
- Our 12 month Business Mastery Program is internationally renowned to coach you to success.

Taxation Services

- Tax returns for individuals, business and corporates.
- Forward tax planning with interim financial statements, projections, tax estimates & tax minimisation strategies. Business structures setup & review.
- Setup of in-house accounting systems to account for income tax, GST requirements and profit performance.
- All areas of GST, PAYG, CGT, FBT and Employer obligations.
- ATO objections, appeals & audit representation.
- International tax planning and advice.
- Effective Asset Protection creates a plan for the future which delivers maximum asset control, tax flexibility and asset security.

Finance Services

- Access of up to 20 lenders for any style or size of Home Loan.
- Maximise your investment possibilities and wealth creation strategies with access to competitive Investment Loans.
- Find the right solutions for your property development and investment with our Commercial Loan facilitation.
- Establish your new business and franchise competitively with a choice of Business Loans or expand your existing situation.
- Benefit from access to cost effective hire purchase, leasing, chattel mortgage or novated leasing for Vehicle & Equipment Finance.
- Create personal wealth, equalise business partnerships, provide for succession planning and remove your property as security from the bank with Invoice Financing.
- Free Health Check of your existing loans to ensure facilities are competitive and structured correctly.
- Business competitive Tendering process to let the banks bid for your business.

Wealth Creation Services *

- Get Wealth Creation advice from independently owned Financial Advisers.
- Superannuation: minimise your tax bill now, and maximise your choices in retirement.
- Personal insurance is an essential part of every financial plan. It is used to protect your wealth, your lifestyle and provide for your loved ones.
- Take advantage of Transition to Retirement Pension strategies to increase overall superannuation in retirement.
- Transfer UK Pensions to Australia tax effectively.
- Investment planning and advice for managed funds, shares & property.
- Secure your future with Retirement planning.
- Accredited remuneration advisers for Salary packaging.
- Take care of your future. We establish, maintain and advise on eliminating tax and fees for Self managed superannuation funds.
- Save time, stay on-track! My Net Wealth®, is a unique service that allows you to access your Managed Funds and share investments online, 24 hours a day, 7 days a week.
- Successful investors know that the only way to ensure they achieve their personal financial goals is with Regular reviews.
- Negative gearing advice including ownership and borrowing structures.
- Gear investments for greater leverage with Margin Lending.
- Time spent preparing a Succession Plan is vital to the future of your business

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Business Development



Taxation Business



Taxation Individual



Finance



Wealth Creation

Business Development + Taxation + Finance + Wealth Creation = McKinley Plowman

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Saving on insurance premiums

Given the high price of cigarettes, more people are quitting smoking and for our clients out there who are successful this is not only great for their health - but also very good on their wallet!

If any of you have successfully quit and have not smoked for at least 12 months you may now be eligible for non-smoker rates which could deliver significant savings.

A 'non-smoker' is defined as a person who has not smoked tobacco or any other substance, or used a product containing nicotine, for at least 12 months prior to application. An applicant who smokes fewer than three cigars per year is classified as a non-smoker for the purposes of the definition. If the life insured smokes socially or smokes one cigarette per week, a smoker rate applies. Where the insured has indicated they are a non-smoker, a further test may be required and applicants are required to complete a non-smoker declaration, in which they declare they have not used tobacco products for more than 12 months and that the reasons for stopping smoking was not related to a deterioration in health or a medical condition.

And for clients who have embarked on quitting this may be the extra incentive you need - we can send you a new non-smokers quote to show you what you could be eligible for if you can stick with it!

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Self-managed super funds face ban on exotic assets



Exotic cars, stamp collections, racehorses and wine cellars will be banned in self-managed super funds (SMSFs) if recommendations from the Cooper review are adopted by the Federal Government.

The Australian Taxation Office (ATO) will have a free hand to impose penalties.

Preliminary findings on phase three of the Cooper review released recently do, however, allow trustees to choose other investments, while vetoing the use of 'collectables' and personal-use assets by trustees.

Paintings, jewellery, antiques, stamp collections, wine, exotic cars, golf club memberships and boats are examples cited in the report as collectables and personal-use assets.

"The panel accepts that some of these types of assets may appreciate in value over time and investors with the appropriate specialist knowledge can profit out of them," said the report.

"However, the panel points out that people who want to own such assets are free to do so outside the SMSF environment in a way that does not involve special concessions from the tax system."

In releasing the report, Jeremy Cooper said the review urged SMSFs to focus more on investing for retirement savings rather than related party transactions and collectables.

There are more than 410,000 SMSFs in Australia.

Fundraising this quarter

On Friday 16 April we joined Mix 94.5 and participated in **Footy Jumper Friday** (www.footyjumperfriday.com.au). We raised **\$59.50** for the Fight Cancer Foundation, a charity helping provide treatment, care and support to people suffering with leukaemia.

In May we took part in **Australia's Biggest Morning Tea** (www.biggestmorningtea.com.au) and raised **\$136.80**. Staff baked cakes, muffins, scones and savouries and each donated \$5 for a plate full of goodies. Australia's Biggest Morning Tea is one of Cancer Council's leading fundraising events and the largest, most successful event of its kind in Australia. Over \$70 million has been raised since it first began in 1994.

On Friday 11 June we dug deep into our wardrobes for some crimson, ruby, burgundy and scarlet and organised a 'Dress Red' event to celebrate **Go Red for Women Day** (www.heartfoundation.org.au). This is the Heart Foundation's campaign to raise awareness of heart disease as a women's health issue and the number one killer of Australian women. McKinley Plowman staff raised **\$60.80**.

Also in June the daughter of administration assistant Jo Truslove participated in the **40 Hour Famine** (www.worldvision.com.au/40hourfamine). Courtney Truslove was given a choice by her school of going without food or furniture. Courtney chose to give up furniture and slept on the floor at home. With the help of staff at MP+ she raised **\$63.80**.

Member of
Count wealth accountants



Social media - a cheaper marketing approach that gets results

By now we are all familiar with social media networks like Facebook, Twitter, YouTube, Blogs and LinkedIn. Although many people have personal accounts on these networks, a lot of people are at a loss when it comes to utilising the power of social media for marketing for their business. There are many reasons to use social media marketing including:



- very low cost;
- access to the huge audience that use it on a daily basis;
- the ability to easily integrate your marketing efforts;
- the value of optimising your business online so that search engines rank it highly; and
- building strong customer relationships by being able to interact with them on a variety of issues.

So where do you start when organising your social media marketing? The first step is pretty straight forward; sign up for the social media platforms you want to use. Have a search for key interests and subjects that relate to your industry in the search bars of various social media networks and determine which have the most valued target audience for you.

After signing up it is important that you work at growing your network. Join in on conversations, start your own conversations, offer some promotional material (a discount perhaps), import your current database into the social network, create a fan page on Facebook and add all employees and link your social media pages with your current marketing (put a link on your website, business cards, signage).

Help retain your current followers by adopting the 10, 10, 80 rule in your social media marketing.

- 10% of your posts and interactions should be entertaining material, like clever YouTube video forwards or interesting quotes etc.
- 10% can be outright business like a special discount for Facebook members or a reminder of the new products you have in stock; and
- 80% is personality content like commenting on the charities you support or uploading a picture of your footy tipping competition winner.

Personal content is anything that allows people to see your brand personality or culture. This 10, 10, 80 Rule allows you to create a relationship with your client and stay in front of them without annoying them and, if implemented correctly, will help in making your customers love your brand (We wish the same could be said for telemarketers!)

Frequency of updates really depends on the social media marketing you choose and the content of the updates, but most experts say a well rounded, interesting update once a week is enough to keep you in the consumer's mind.

For more information, please call our office on 9301 2200 and ask for Leah.



Questions to ask your finance broker. Do they tick all the boxes?

Our Finance Department - MPM Finance Pty Ltd does.

Q1. Are they certified with MFAA or FBAA? These are the two main accreditation bodies within Australia?

A1. At MPM Finance Pty Ltd we are fully certified with MFAA - Member No. 14508.

Q2. Do they have an external dispute resolution service (i.e. if you have an issue with the advice they provided, is there an independent body to manage the complaint process)?

A2. At MPM Finance Pty Ltd we have full membership of COSL (Credit Ombudsman Service Limited) - Member No. 405664.

Q3. Are you advised the commission your broker will receive? This is now a Government requirement to disclose all monies to be received from your transaction plus any external interest that the broker may have which could influence the transaction.

A3. At MPM Finance Pty Ltd we have our clients sign a Finance Brokers Contract and Appointment to Act which details your loan and all commissions paid to our brokers.

Q4. Are they a licenced finance broker? Do they currently hold a licence with DOCEP (Department of Consumer and Employment Protection)? Are they registered for or employed by a business that has registered for a licence with ASIC (Australian Securities and Investments Commission)?

A4. At MPM Finance Pty Ltd our current DOCEP licence number is 2916 and ASIC registration number is 349370.

Q5. What experience do they have? Do they know the finance industry and have experience in it?

A5. At MPM Finance Pty Ltd our brokers have over 25 years combined experience in the finance industry to ensure your financial needs are met whether it be for business or home/investment purposes.

Q6. Do they compare your needs with as many lenders as possible?

A6. At MPM Finance Pty Ltd we source your solution from over 20 different lenders to ensure you receive the right solution.



Are you a share trader or share investor?

The distinction between a share trader and a share investor depends on the specific facts and circumstances of each particular case. However, numerous court cases over the years have established a common set of factors that need to be considered in making this distinction.

Taxpayer's intention in buying shares

A share trader will normally buy shares with the intention of making a profit from their sale in the short-term. However, the existence of a profit motive/intention does not of itself mean the existence of a share trader. A share investor will normally buy shares with the intention of holding them for the long-term and earning dividend income and/or enjoying any capital growth from those shares.

Business-like manner

A share trader will undertake their share activities in a business-like manner, basically as follows:

- a) the taxpayer undertakes extensive research of companies in which shares are bought (e.g. analysing annual reports).
- b) the taxpayer reads financial newspapers (e.g. the Financial Review), investment magazines, stock market reports and listens to financial reports, on a regular basis.
- c) the taxpayer studies daily and longer-term trends and seeks advice from experts (e.g. share broker).
- d) the taxpayer operates a particular pattern or system in selecting which shares to buy and sell (including the use of sophisticated techniques - e.g. charting shares).

Regularity and volume of share transactions (including turnover)

A share trader is more likely to:

- a) buy and sell shares on a regular basis (i.e. there is a regular and systematic pattern of trading in shares);
- b) hold shares for only a shorter period of time; and
- c) have a high volume of transactions and turnover (from sales) in an income year.

On the other hand, a share investor is more likely to:

- a) buy shares on an ad hoc or spasmodic basis;
- b) hold shares for a longer period of time; and
- c) have a low volume of transactions in an income year.

Amount of capital that is invested

The amount of capital a taxpayer invests in buying shares is not necessarily determinative of whether the taxpayer is a share trader



Median housing figures - are they a true indicator of values?

Median housing prices are quoted in the media and the real estate industry on a regular basis. Depending on whose data you look at, the figures can differ quite significantly.

Besides variance in the measures used in the collation, timing and reporting of data from index makers, there are other factors which can also impact median figures. Investors should not rely on median house prices alone when researching properties and localities to invest in.

Firstly, the way the median price is determined should be explained. The median price is simply the sales price exactly in the middle of all sales - therefore there are as many sales below the median price as there are above it. If there happens to be a couple of additional higher sales for the period reported for example, than this would impact the median sales price significantly. Conversely if there were additional sales in the lower end of the scale then this would also have a considerable effect on the median figures.

Another point to consider with median prices is that they do not account for the fact that properties in the same locality have differing proportions of land value and building value in their price and therefore grow differently in price.

or a share investor. It is possible to carry on a business of trading in shares with a relatively small amount of capital.

Business plan

Although not compulsory, the existence of a business plan which outlines how a taxpayer's share activities will be conducted, assists in showing that the taxpayer is a share trader.

A business plan may show, for example:

- an analysis of each potential share investment;
- an analysis of the market(s) in which the taxpayer proposes to buy and sell shares;
- research conducted by the taxpayer as to when or where a profit may arise; and/or
- the basis of decisions as to when to hold or to sell shares.

Amount of time spent on share activities

A share trader would likely spend a lot more time researching their share activities as compared with a share investor. That is, a share trader is likely to spend time on their share activities each day, whereas a share investor may only spend an hour or so per week.

Full time or part time

A taxpayer can be a share trader whilst employed full time in some other occupation. However, if a taxpayer has no other job or occupation and earns their living from share activities, this would indicate that the taxpayer is carrying on a share trading business.

Record keeping

A share trader is more likely to keep records of share purchases and sales, including profits and losses on the sale of shares. In the absence of these records, it would be more difficult to establish that a business of share trading was being carried on.



Henry Review: What does it mean for your business?

The much awaited government response to Treasury's Australia's Future Tax System ("AFTS") Report (also known as the Henry Review) was released in May 2010. The report was commissioned to consider the future of the Australian taxation system.

The focus of the response was a new resource super profits tax ("RSPT")*. Some recommendations relating to company and small business taxes and superannuation have been accepted but rely on the implementation of the RSPT. The government has indicated that this is intended to be the first step in a 10-year tax reform agenda.

A total of 138 recommendations were made. Some have been specifically accepted, but the government also specifically rejected some. The response flags some areas for future reform, however most of the recommendations were not addressed at all as part of the government's response.

*This has since been replaced by a Minerals Resource Rents Tax (MRRT) following the recent change in leadership of the Labour government. After industry consultation, the reform measures have been revised, impacting anticipated revenue and resulting in various changes to some of the previously announced reform measures.

Highlights

The following are the highlights of the Government's response.

- A Minerals Resource Rents Tax (MRRT) will be introduced on 1 July 2012 at a rate of 30% (was to be 40% under RSPT) on

profits made from the exploitation of iron ore and coal (this is a narrower application than that recommended under RSPT) in Australia;

- The States and Territories will be provided with new, ongoing infrastructure funding, with an initial total amount of \$700m in 2012/13;
- The company tax rate will be reduced to 29% from 2013/14;
- The company tax rate for "eligible small business companies" will be reduced to 29% from 2012/13;
- The immediate write-off for assets of small businesses will be extended to assets valued at less than \$5,000 from 1 July 2012;
- The superannuation guarantee charge (SGC) will be increased by annual increments until it reaches the plateau level of 12% by 2019/20;
- The entitlement to the SGC will be broadened by lifting the maximum age threshold from 70 to 75 years of age;
- The concessional contributions cap will be raised to \$50,000 per year for workers who are 50 and over and who have superannuation balances of under \$500,000; and
- A new Government superannuation contribution will be created which will pay up to \$500 for workers with adjusted taxable incomes of up to \$37,000.
- Note: A proposed refundable resource exploration rebate set at the prevailing company tax rate, for exploration expenditure carried out in Australia will no longer proceed due to the revised proposals.



Revised company tax rules

Reduced company tax rate from 2013/14

The Government has announced that the company tax rate will be reduced to 29% from 2013/14, however as result of the new resource taxation proposals the proposed reduction to 28% from 2014/15 will no longer proceed.

It was recommended in the Henry Report that the company tax rate be reduced to 25% over the short to medium term, with the timing subject to economic and fiscal circumstances (Rec 27).

Small business companies: lower tax rate

The company tax rate for "eligible small business companies" will be reduced to 29% (not 28% as outlined under the original response) from 2012/13 (i.e. two years earlier than for other companies).

Small business write-off changes

The capital allowances provisions will be changed in order to allow small businesses:

- to write off immediately assets valued at under \$5,000 (compared with the current \$1,000 limit); and
- to write off other assets (i.e. assets valued at over \$5,000) in one depreciating pool at the rate of 30%.

Currently, depreciating assets may be allocated to two different depreciating pools. This will not apply to buildings.

The revised rules will apply from 1 July 2012 but have yet to be passed by Parliament.

10 Ways to beat boredom this winter



Here are 10 ways to keep busy on a winter weekend

1. Read a book
2. Invite friends over for an afternoon card game
3. Organise a clothes swap session with friends
4. Post unwanted items on eBay for extra cash
5. Make a batch of chicken soup
6. Play board games
7. Do a jigsaw puzzle
8. Bake something
9. Do a crossword
10. Relax by meditating or listening to soothing music



Drawdown relief for account based pensions

The Government announced on 30 June 2010 that it will extend the drawdown relief for another year.

*The relevant account balance is the balance at 1 July of the current year for existing pensions and the balance at the start date for pensions commencing during the current year.

The minimum annual payment is prorated in the first year (include the commencement date). But if the commencement day of the pension is on or after 1 June, no payment is required to be made for that financial year.

	01/07/2010-30/06/2011	01/07/2008-30/06/2010	01/07/2007-30/06/2008
Age	Percentage of account balance*		
Under 65	2%	2%	4%
65-74	2.5%	2.5%	5%
75-79	3%	3%	6%
80-84	3.5%	3.5%	7%
85-89	4.5%	4.5%	9%
90-94	5.5%	5.5%	11%
95+	7%	7%	14%