Complete Commerce

Completing your business picture.

SPRING 2018 NEWSLETTER

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WELCOME

Welcome to the Complete Commerce Spring 2018 Newsletter. What does Spring mean to you? Footy finals and Brownlow? Freshly cut grass and the smell of spring? Kids' school holidays? The start of BBQ nights when daylight savings begins? Buying new outfits for the Spring Carnival? Winery tours and dinners? The season of spring is always the busiest on the social calendar and we wouldn't have it any other way!

BRETT AND NICOLE'S FOOTY TIPPING

We have proven to be pretty poor tipsters this year. Our Autumn Newsletter selections will be there for eternity to remind us of how badly we went. Brett got zero selections correct but Nicole at least got one and therefore will have the Complete Commerce bragging rights until next year. Congratulations Nicole on tipping Tom Mitchell to win the Brownlow at the start of the season!

CLAIMING MOTOR VEHICLE DEDUCTIONS

The ATO are now cracking down on the claiming of motor vehicle deductions using the logbook method. You only need to do a logbook every 5 years (Assuming you keep the same pattern of travel) but it is imperative that you do at least have the logbook correctly kept and held on to across the 5 year period. The old approach of 'around 80%' was never acceptable and based on the ATO's thoughts these deductions will be completely knocked back if there has been no effort to accurately calculate the work-related or business percentage of vehicle travel.

WHY COMPLETE COMMERCE IS A GREAT CHOICE TO SET UP YOUR SELF-MANAGED SUPER FUND

Recent surveys of both CPA and CAANZ have shown that many accounting firms are currently not allowed to advise on the setups of Self-Managed Super Funds nor provide any advice on superannuation strategy as they do not hold the necessary qualifications or licenses. At a bare minimum accounting firms must register with and pay to use the licence of a qualified financial planner in order to provide that advice. At Complete Commerce we have gone one better and have our own direct licence with ASIC that enables us to provide all of your Self-Managed superannuation strategy and advice. If you are considering an SMSF, please do not hesitate to give us a call.

ARE LABOR'S POLICIES REALLY ONLY TARGETING THE WEALTHY?

With an election in our not too distant future we are reading Labor's proposed policies and asking the question—are Labor really targeting the wealthy with their policy announcements?

As business professionals we love trusts as a vehicle to run a business or hold investment assets. The Labor party announced in July 2017 that, if elected, they would introduce legislation to tax trust distributions to those who are over 18 at a minimum tax rate of 30% thereby trying to deny those taxpayers access to the tax free threshold.

Labor suggest that their plan to tax distributions to adults from a trust at a minimum rate of 30% is driven by the fact that trusts in Australia are "used by high-wealth individuals to minimise their tax obligations". The example in Labor's policy document is based on a lawyer who earns $500,000 per annum and who, by using a trust and distributing to his wife and adult children saves tax on those earnings. If you do the sums, small businesses will be penalised more under this policy than high wealth individuals. The more income your trust generates the more potential you have to save tax under this policy.

Another questionable policy released by the Labor Party calls for the end to refundable franking credits. Currently, our tax system allows for the final recipient of company profits to pay their personal tax rate on those profits. If your tax rate is higher than the tax the company has paid you pay the excess and conversely if your tax rate is lower you receive a refund. The Labor Party wants to stop the refund to those on lower rates of tax.

Most Self-Managed Superannuation Funds paying pensions will no longer receive a refund of excess franking credits under this policy. The Australian National University issued a research paper that showed that retirees would need to boost their savings by up to 9% to combat the effect of the removal of franking credits. Interestingly, Union run Industry Superannuation Funds have an exemption under Labor's policy and will continue to receive the benefit of the refunds.

The House of Representatives recently set up an enquiry into the impact of the removal of franking credit refunds. The Standing Committee on Economics will report, in particular, on the impact on self funded retirees and investors.

Peter Strong from the Council of Small Business Australia (COSBOA) said this about Labor's alleged targeting of the wealthy with their policies "go and get them in another way, don't punish everybody".

5 SECURITY RISKS THAT YOU TAKE BUT PROBABLY SHOULDN'T

1. Throwing out old mobile devices – Even if you've deleted your data from them, it can often still be retrieved. Professional secure destruction of your device is required in order to keep your information from finding its way into others hands.

2. Using public WiFi – Although it seems harmless, it is incredibly easy and common to intercept all information on public WiFi. This is one of the greatest risks that can be taken with your private information.

3. Recycling paper documents with personal information – Recycling is great for the environment but the contents of these bins are not shredded and destroyed. Make sure information with sensitive information is securely destroyed/ shredded.

4. Emailing the wrong person – The worst mistake you can do is to send confidential information to the wrong person. Often it won't be an issue as hopefully there are mostly lovely people on your contact list, but you just never know. Always double check who you are sending to!

5. Leaving important documents out at work – According to statistics, 4 out of 5 business fraud cases are from inside the company itself. Be very careful what you leave on your desk/printer for other staff to see.