



CONGRATULATIONS JAMES & CATHERINE

It is with great pleasure that we say congratulations to **James Carroll and Catherine Penn** on their recent wedding. James and Catherine married on Saturday 24th February 2007 at Sorrento and are currently honeymooning in Europe and the United Kingdom.

I am sure you all join with us in wishing them a lifetime of happiness as husband and wife. We will have a photo in the next edition of the MBA news.

TAX PLANNING TIME

During March we have sent letters to clients in preparation for Tax Planning. If you have not received a letter regarding tax planning and feel you may have an issue that needs to be addressed before 30 June 2007, for example if you have sold a property and are likely to incur a Capital Gain or have had a substantial increase in your salary, please give the office a call to discuss further.

FRINGE BENEFITS TAX (FBT)

The 31st of March is the end of the year in regards to Fringe Benefits Tax. We will be sending letters and checklists in early April to all clients that we believe may have potential FBT issues to address. If you do not receive your letter and think you need to complete an FBT return please call our office on 5970 8100.

TIME TO LODGE YOUR 2006 TAX RETURN IS FAST RUNNING OUT!

If you are yet to lodge your 2006 tax return, time is quickly running out. Please bring your information in to the office as soon as possible or contact your client manager as a matter of urgency to discuss this further.



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MBA BOOKKEEPING SERVICES

At MBA we can provide an internal bookkeeping service to take the administrative burden and hassle of record keeping off your hands. This allows you more time to work on your business or spend time with the family.

We specialise in MYOB, Quickbooks and Cashflow Manager record keeping and can provide additional services in the areas of Accounts Payable (Creditors), Accounts Receivable (Debtors) and Periodic Reporting (upon request).

Our bookkeeper has full access to our accounting knowledge and expertise to ensure you receive a premium quality service at competitive prices. Please call us on 5970 8100

FINANCIAL PLANNING UPDATE

MBA Business Solutions Pty. Ltd. is very excited to announce that James Carroll is now an Authorised Representative of Financial Foundations Australia Pty Ltd. (AFSL 237439)

James will be providing the same professional service that you have been receiving from Financial Foundations Australia and Rob Salmon. But now you will have the convenience of being able to have your advisor "in-house" at MBA. Being an Authorised Representative of FFA means, as well as having our own in-house advisor for all our clients, we also have the support of the FFA team.

In the near future James will be joined by Richard Amer, when Richard also becomes an Authorised Representative of FFA.

James, Richard and the MBA Team look forward to being able to assist with all your financial planning needs.

If you have any questions regarding any of the above, do not hesitate, please call us on 5970 8100.

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ONE IN THREE SMALL BUSINESSES FAIL TO MAXIMISE I.T. INVESTMENT

One in three small businesses in Australia are not getting the full value from their information technology (IT) systems due to under utilisation (35 per cent) or lack of computer skills (24 per cent). And only 10 per cent of CPA Australia public practitioners believe that their small business clients are getting the maximum benefit from their IT investments.

These findings are from CPA Australia's latest small business survey *Information Technology – Its Impact on Small Business* conducted on 600 small business (independent and employing fewer than 20 staff) and 105 CPAs in public practice across Australia in November 2006.

CPA Australia's Business Policy Adviser Judy Hartcher said, 'There has been a lot of energy expended by governments and business over the last decade on assisting small business to embrace e-commerce and go online. While this is an excellent strategy for many small businesses, the majority are using IT as a tool for reducing costs, not as a gateway to new business.'

According to the survey results, the majority of small business used IT to increase their efficiency (92 per cent), achieve business goals (82 per cent) and reduce costs (73 per cent). Two thirds of respondents said that IT helped their business to increase revenue (64 per cent), add value to existing products or services (64 per cent) or extend their geographic reach (62 per cent). Fewer business (51 per cent) said IT helped them open up new markets.

CPAs interviewed supported these findings, with 78 per cent saying that the main reason their small business clients invest in IT was to increase efficiency and 31 per cent answered to 'cut costs'.

Ms Hartcher said, 'Small business is forced to increase their efficiency in order to maintain a competitive edge in a global economy. Investing in IT systems in order to computerise business functions such as inventory and payroll processing is one tactic small business has employed to remain competitive.'

Ninety-one per cent of small businesses surveyed said they have now computerised their bookkeeping. Eighty-three per cent are managing their debtors and creditors on computer and almost half have computerised stock and customer relationship management.

Small business is also likely to under invest rather than over invest in their IT systems, with the average investment in IT as a proportion of business capital to be around 12 per cent. When asked if they would increase their investment, three quarters of owners surveyed said they would if it leads to increased efficiency and cost cutting.

Other findings from the survey include:

- Nine in 10 small businesses don't measure the benefits of IT or have a required return on investment.

- Seventy per cent of small business said their firm is very or quite dependant on IT. In spite of these high levels of dependence, only 13 per cent felt the failure of their IT systems would prevent them from operating at all.
- Most small business could recover from a major IT failure, with only seven per cent saying that they would find it very difficult or very expensive to recover.
- Fifty-five per cent of CPAs said that none of their clients had an IT risk management strategy and a further 27 per cent said only a few had such a strategy.

IT systems in the survey referred to both hardware and software.

The CPA Australia's "*Information Technology – Its Impact on Small Business*" is available from the CPA website:

http://www.cpaaustralia.com.au/cps/rde/xchg/SID-3F57FEDE-3C5ECCBC/cpa/hs.xsl/726_20876_ENA_HTML.htm

or you can call MBA to get an emailed or printed copy of the report.

PRIVACY CONCERNS SURROUNDING ASIC AND TAX OFFICE DATA SHARING

The ASIC and the Tax Office recently announced their plans to share information that will assist both agencies in a wide range of criminal investigations.

In a bid to crack down on tax evasion and corporate crime, Treasurer Peter Costello plans to overhaul secrecy provisions which have been in place since 1936.

Taxation and legal professionals around Australia have called for strict provisions and safeguards to ensure that shared tax data remains private and secure.

Some concern has been expressed that the information shared could be used in a manner that is inconsistent with the purpose for which it was gathered.

In addition, some believe that tax information, once released by the Tax Office to other organisations such as the ASIC, could get into the wrong hands.

It has been suggested that, rather than swapping information, the agencies should obtain the information directly from individuals and companies.

The Tax Institute of Australia believes that the changes could adversely affect public confidence in the Tax Office and its handlings of tax returns.

MEDICARE LEVY SURCHARGE IS HERE TO STAY

The federal government has stated it has no plans to revise the Medicare Levy Surcharge [MLS] income tests.

The MLS was designed to penalise higher income earners who did not have private patient hospital cover.

The initial thresholds, such as the \$50,000 threshold for single taxpayers without dependents, have remained the same despite average annual wages having increased from \$36,000 to \$54,000.

A spokeswoman for the Labor party has criticised the Federal Government's failure to index the MLS thresholds and uphold its promise of only taxing wealthier Australians.

Health Minister Tony Abbott has defended the scheme, saying that it has encouraged 3 million people to take out private health insurance.

Private Health Insurance Administrative Council statistics indicate that the number of people with private patient hospital cover remained static for three years following the implementation of MLS.

However, more people took out private health cover after the introduction of the 30% tax rebate on health insurance.

It is estimated the MLS has produced in excess of \$1 billion in revenue since its inception.

THE TAX OFFICE TO MINIMISE REFUND DELAYS

The Tax Office has been criticised for not being proactive or prompt enough in notifying taxpayers or their tax agent of delays in refunds and the cause of these delays.

In order to meet its benchmark of 28 days in issuing tax refunds the Tax Office has implemented certain measures.

A tax agent may contact the Tax Office fourteen days after lodgement if a refund has not been issued.

The Tax Office will then:

- a. Direct the case to a review section; and
- b. Issue a refund or contact the tax agent to clarify any details within fourteen days.

If the time frame is not met, an enquiring agent will be transferred directly to the review section where the case is handled.

The Tax Office sighted several reasons a refund may be held back including incomplete data, error or fraud.

The Tax Office is also considering means to automatically advise taxpayers of delays with their refunds through either the tax agent's portal, telephone or by mail.

HOW MUCH DOES THE GOVERNMENT CONTRIBUTE TO YOUR SUPER?

Employees earning less than \$58,000 may be entitled to claim the superannuation co-contribution.



From July 1, 2007 this incentive will be extended to eligible self-employed people.

According to the Minister for Revenue and Assistant Treasurer Peter Dutton, 799,156 co-contribution payments worth more than \$631 million were made to Australian workers during the period October 1, 2006 to December 31, 2006.

Mr Dutton further stated that in the first 3 years of the scheme, more that 2.7 million payments worth approximately \$ 2 billion had been paid.

Given the figures stated above, Mr Dutton has called on Kevin Rudd to "personally give Australia an assurance that the co-contribution is here to stay".

If you have any questions, or would like further information, regarding any of the articles in our newsletter please do not hesitate to call us!

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FREE SAFETY ASSISTANCE FOR MELBOURNE SMALL BIZ

A new and free safety service for small business has been established by the Australian Government and is now available to companies operating in Melbourne.

The \$7 million Small Business Occupational Health and Safety (OHS) Advisers Program is an initiative of the Australian Government and will run through to June, 2007. The Program involves specialist advisors, who provide small businesses (with less than 20 full-time or equivalent employees), across all industry sectors, with free OHS advice, training and on-site assistance. The advisers are located in metropolitan, regional and rural locations in all states and territories.

The advisor in this area is Clare Riddoch who has worked in OHS for over 17 years with experience across a wide range of industry sectors including construction, public transport infrastructure, local government and the retail industry. She is based in Melbourne.

The program is delivered by the Australian Industry Group (Ai Group), an industry organisation representing 10,000 employers in manufacturing, construction, automotive, telecommunications, IT & call centres, transport, labour hire and other industries. The Programme is available to all eligible small businesses regardless of whether they are members of industry associations.

Work safety is an important issue for small business. According to Ai Group's Industry in the Regions 2004 – The Competitiveness Report, small businesses are 20% more likely to have workplace injuries than large businesses. The Department of Employment and Workplace Relations says the majority of incidents occur in manufacturing, construction, transport & storage, and health & community services.

Most Workplace accidents are avoidable. For small businesses with limited resources, however, it is sometimes difficult to understand how to create a safe working environment and how to assist employees to avoid unnecessary risks at work.

Ai Group Chief Executive, Heather Ridout, said workplace safety is a vitally important issue for every business.

“No one wants a death or injury in the workplace and small business employers have a personal and professional investment in creating a safe working environment,” Mrs Ridout said.

“Central to this new service will be helping small business employers to understand these obligations as well as providing them with effective safety management strategies.”

Minister for Employment and Workplace Relations, the Hon Kevin Andrews, MP, said small businesses have always been committed to their workers' safety and now, through the Small Business OHS Advisers Program can access the resources to help them implement cost effective and quality safety measures.

“The Program is a practical way to provide both educative and advisory services to small businesses. This extra assistance will also help small businesses to understand and comply with the OHS laws and standards that operate in each State and Territory.”

The Small Business OHS Advisers Program consists of four stages:

- **Employer seminars**
Employers will initially attend two seminars, designed to increase the level of OHS knowledge of business operators, so they can most effectively participate in the on-site portions of the Program and maximise the benefits of participation.
- **OHS Assessment**
Once the employer has attended the seminars, an OHS Adviser will visit the workplace to undertake a safety assessment. The aim is for the adviser and the business to collectively identify issues needing attention.
- **Safety Plan**
On a subsequent visit, the findings of the safety assessment will be used to develop a safety plan that the business is comfortable in implementing.
- **Ongoing support and assistance**
Further assistance will be provided through telephone support, seminars and networking opportunities, and access to further onsite services.

The Program's website at www.smallbusinessohs.com.au includes information to assist employers in understanding some of the key hazards and risks they may need to deal with in the workplace. Links have been created from each topic, enabling small businesses to access guidance information from their state or territory.

Small businesses can register their interest in the Program by visiting the website, www.smallbusinessohs.com.au, emailing register@smallbusinessohs.com.au, telephoning 1300 554 764 or contacting the local advisor Clare Riddoch on 0448 852 701.

Registrations are now being taken for the seminars in Melbourne. For more information on the Program, contact Ai Group's Stephanie Witts on (02) 9466 5566 or Tracey Browne on (03) 9867 0111.



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If you would like to place a free advertisement in the next edition contact Joan at MBA.