



June 2016 Newsletter

Where Clients Count!!

A message from Julie.....

It is amazing that it is approaching 12 months since Rowan and I went overseas—what an adventure this was. We both understand why Australia is called the lucky country and why living in rural Victoria may not have the bright lights of the cities but it is certainly safer, quieter and certainly enjoyable.

The year has just gone really quickly and although we are now at the end of the 2016 financial year, it is great to see green grass and to go to sleep to rain on the roof, something that has not happened for a while. However sometimes mother nature has a habit of playing with our enthusiasm, only to turn on us in the last minute.

This financial year has had its highs and lows. The rain stopped and our crops were not as great as we thought with the prices being low and yields were poor. The livestock prices have been fantastic with record highs and as such there have been pleasing results for those with mixed farming operations.

2016 has some milestones for West Currie Consultants:

We have been servicing Edenhope and Casterton for 40 Years and have been visiting Nhill for 20 years. Thankyou to all those who came to celebrate this occasion or who sent well wishes with apologies.

We look forward to continuing to serve you all into the future.

Happy New Financial Year



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EFTPOS Facility Available!

West Currie Consultants are happy to announce that we now have EFTPOS available in our Edenhope and Nhill offices to make transactions easier for our clients.

This means you have even more options of making a payment.

For more information or if you would like to make a payment, please come in and see



Changes to Motor Vehicle Claims

As 1 July rolls around, remember that the Motor Vehicle claims have changed, as per the 2015 Federal Budget.

There are now only two options:

1. 5000 Business Km's at 66c per km, highest claim being \$3300, or
2. The Log Book Method

If you think you have travelled 5000kms or more, please take the time to fill out a log book to ensure we can get you the best claim possible. If no log book is provided, there is no option but to claim the Business Km's Method.

It does not matter how your Motor Vehicles have been claimed in the past, the above are the only two options moving forward.

Log books can be purchased from any newsagency and must be held for twelve weeks, this is then valid for five years.

Please do not hesitate to contact the team at West Currie Consultants if you have any issues regarding Motor Vehicle Claims or keeping a log book. We are here to assist.



Proposed Federal Budget Changes



In the Federal Budget released on May 3, there were several significant tax changes announced, some of which are proposed to start from 1 July 2016.

However with the up-coming Federal election on 2nd July, none of these changes can be implemented until after the new Parliament is elected and sworn in (if at all).

Proposed changes from 3 May 2016:

- New \$500,000 lifetime cap for non-concessional (after tax) superannuation contributions

Proposed changes from 1 July 2016:

- Personal and company tax cuts
- An increase in the small business entity ('SBE') turnover threshold

Proposed changes from 1 July 2017:

- Extension of GST to all imports (irrespective of value) from 1 July 2017
- Lower \$25,000 concessional (deductible) superannuation contribution cap
- Allow taxpayers with superannuation balances of less than \$500,000 to catch-up and pay extra superannuation contributions, where they have not fully utilised their concessional contribution cap in the previous four years.
- Removal of the work test for 65-74 year old taxpayers making superannuation contributions
- All taxpayers under 75 will be able to claim a tax deduction for personal superannuation contributions.



Last-minute Tax planning tips for individuals

The current financial year is almost at an end, and with an election to be held two days later the recently announced federal budget measures will of course have no chance to take effect until some time into the next financial year, if at all.

But in the meantime there are still many strategies you may be able to put into play to ensure you pay not one cent more tax than is necessary for the 2015-16 year.

Tip! The best tax planning tactics are adopted in July, not June. That is, as early as possible in any financial year, not right near the end of it. And it is also wise to remember that proper tax planning is more than just finding bigger and better deductions — the best tips are those that set your tax affairs in better order for not just the current financial year but also for future income years.

Not all of the following tips will suit your circumstances, but as a list of possibilities they may get you thinking along the right track, and have you asking us the right questions. Of course check with this office if you need further information.



Investment property

Many expenses stemming from owning a rental property are claimable, so it can be helpful to bring forward any expenses before June 30 and claim them in the present financial year. If you know that an investment property needs some repairs or requires attention regarding, say, pest con-

trol, see if you can incur these costs before year end.

Prepay investment loan interest

In a similar vein, see if you can negotiate with your finance provider to make upfront interest repayments for certain investments, such as a margin loan on shares.

Most taxpayers can claim a deduction for up to 12 months ahead. But make sure you review how you and your lender have allocated funds secured against your property correctly, as a tax deduction is generally only allowed against the finance costs incurred for the purpose of earning assessable income from investments.

A deduction may not be available on funds you redraw from this loan put to other purposes.

Bring forward expenses

Try to bring forward any other deductions (like the interest payments mentioned above) into the 2015-16 year.

If you know that next fiscal year you will be earning less (such as going on maternity leave, going part-time etc), deductible expenses that can be brought forward into the present financial year will provide more financial benefit.

An exception for some lucky individuals will arise if you expect to earn more next financial year. In that case it may be to your advantage to delay any tax-deductible payments until next financial year, when the financial benefit of deductions could be greater. Your personal circumstances will dictate whether these measures are appropriate and we can assist with this.

Of course, with all of the above, tread carefully and don't let mere tax drive your investment decisions – check with this office to determine whether your approach will suit your circumstances.

ATO Warning - iTunes scammers

The ATO is reminding the public to be alert to scammers impersonating the ATO demanding iTunes gift cards as a form of tax debt payment. Of the 8692 phone scam reports the ATO received in April 2016 in relation to the fake ATO tax debt scam, 58 reports mentioned the scammer demanding payment by iTunes (and apparently 26 people unfortunately paid \$174,830 to fraudsters!)

Importantly, the scammers don't need the actual physical card; they just need the gift card number, which they get victims to read over the phone.

The ATO states: "We will never request the payment of a tax debt via gift or pre-paid cards such as iTunes and Visa cards. Nor will we ask for direct credit to be paid to a personal bank account.

"And if the person calling you is rude and aggressive, threatening police or legal action if you don't do something immediately – it's not the ATO".

Unfortunately there seems to be a new Tax Office scam every few months. If you are unsure if the caller is a scammer, please contact our office before making a payment.



Why Some Returns Take Longer At The ATO

Some tax returns may take longer than others to finalise. The most common reasons why a return may be delayed are:

1. The ATO require more information or need to cross-check data with Centrelink or the Child Support Program (it can take up to three days to check information with another government agency).
2. It is a complex tax return and requires a large amount of manual checking by an ATO tax officer.
3. The ATO have identified as potentially including overstated or fraudulent claims.



Top 7 Tax Tips for Investors

Tip 1: Dividend Income

We will need to see your dividend statements, which will identify the dividend payment date and the type of dividend payment for your Australian company shareholdings (that is, fully franked, partially franked or unfranked). Remember some companies pay interim and final dividends so also provide these statements to us.

Both the dividend payment and the value of the franking credit (if applicable) are included in your assessable income on a receipts basis.

Tip 2: Franking credit refunds

If your taxable income is less than \$18,200 this financial year and you receive franked dividends, we can still make a claim for you for the refund of those franking credits. To do this we will most likely help you fill in a Refund of franking credits form (this can also be done for previous years if you haven't already asked us to do so).

Tip 3: Distribution statements

If you have investments in managed funds or stapled securities, we need to review each distribution statement for you as there may be dividends and franking credits, foreign income and taxes, and capital gains and losses shown.

Be aware of foreign taxes paid on off-shore income, as we may be able to claim foreign income tax offsets for you (which can be claimed against your tax payable). However, unlike franking credits, if you cannot use them in the current year, you lose them.

Tip 4: Hobby or business losses

If you have invested in a quasi-business activity (such as a hobby farm or venture), and you have generated losses this year, you cannot just deduct the loss against your other income. Unlike negative gearing on property and shares, you are required to quarantine these losses for later use unless you satisfy specific criteria.

Tip 5: Investment-related deductions

Don't forget to tell us about all your investment-related deductions so we can further reduce your tax bill. But remember, these are available provided the expenses are directly related to generating your investment income. Make sure you have all necessary receipts or credit card statements in order to substantiate claims, but don't hand these over to us yet — we'll ask if they're needed.

Investment-related deductions include such things as:

- interest on borrowed funds if you financed your investment
- bank charges for bank accounts where investment income is paid into and expenses are paid from
- the cost of running a home office to manage your investments, and
- the cost of investment-related journals.

Tip 6: Depreciating assets

Immediate deductions can be claimed for depreciating assets that cost less than \$300 and are mainly used to earn your income. Otherwise, we can claim depreciation for you on the asset by using rates prescribed by the ATO. We may need to ask you about the extent of any private use.

Tip 7: Membership subscriptions

Make sure you let us know if you want to claim a deduction for membership associated with your investments (you may, for example, be a member of the Australian Shareholders Association). Where you gain investment income, the entire amount of the subscription can be claimed as a deduction as long as the membership is relevant.

Reminder...

SuperStream Deadline for Small Employers

All Small employers (19 or fewer employees) must meet the SuperStream Standard by 30 June 2016

Reminder of Small Business Changes

From last year's Federal Budget the following changes have been enacted:

Instant asset write off: Small businesses can immediately deduct the business portion of most (new or second-hand) assets if they cost less than \$20,000 (after GST credit claims), and were purchased between 7:30pm on 12 May 2015 and 30 June 2017.

Accelerated depreciation for Primary Producers: From 12 May 2015, primary producers can immediately deduct the costs of:

fencing – previously deducted over a period up to 30 years;

water facilities – previously deducted over three years. They can also deduct the cost of fodder storage assets over three years, instead of 50 years.

Small Business Restructure Roll-over From 1 July 2016, small businesses will be able to change the legal structure of their business without incurring any income tax liability when assets are transferred by one entity to another.

This roll-over basically applies to:

CGT assets;

Trading stock;

Depreciating assets used, or held ready for use, in the course of carrying on a business.

Deductions for professional expenses for start-ups From 1 July 2015, small businesses are entitled to certain deductions when starting up a small business.

The range of deductible start-up costs includes professional, legal and accounting advice, and government fees and charges.

FBT changes for work-related devices From 1 April 2016, small businesses will not incur an FBT liability if they provide their employees with multiple work-related portable electronic devices that have similar functions.

These include devices that are primarily used for work, such as laptops, tablets, calculators, GPS navigation receivers and mobile phones.

Small business income tax offset From the 2015/16 income year, an individual is entitled to a tax offset on the tax payable on the portion of their income that is from:

Net small business income from sole trading; and/or

Share of net small business income from a partnership or trust.

The tax offset is 5% of the tax on your small business income, capped at \$1,000 each year, per taxpayer.

New Simpler BAS on the way

The ATO has been working on ways to deliver a simpler Business Activity Statement (BAS) to simplify account set-up, record keeping, BAS preparation and lodgment for agents and their clients, and make it less costly.

To achieve this, several GST labels will be removed from the BAS, with small businesses only required to report:

- ☐ GST on sales (1A);
- ☐ GST on purchases (1B);
- ☐ Total sales (G1).

They will begin user testing from 1 July 2016 and a simpler BAS should be the standard option for all small business from 1 July 2017.

HELP Changes

There are recent changes to Higher Education Loan Programme repayment obligations.

Changes to your loan mean that if you move overseas and earn income above the minimum repayment threshold you will need to make compulsory repayments, as you would if you were residing in Australia.

You need to create a myGov account, link to the ATO, and notify the ATO if you move or intend to move overseas by updating your contact details, including international residential and email addresses.



Even if you're not moving overseas you can also use myGov to:

- Update your contact details
- View your study and training support loan account balances
- Make voluntary repayments against your loan.



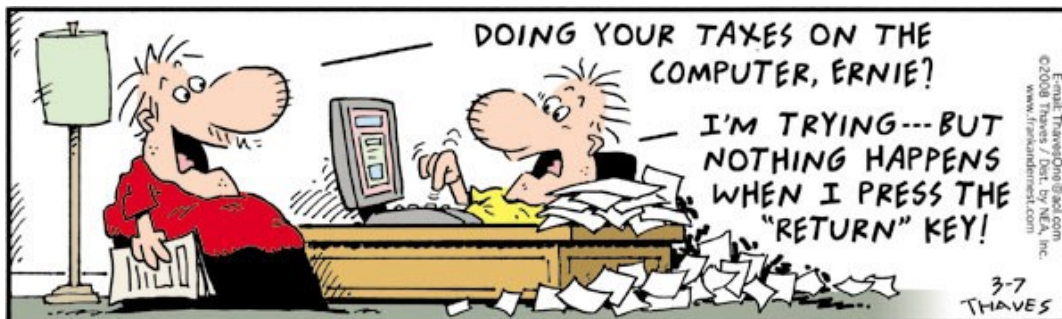
Feel free to find us on Facebook at West Currie Consultants where we have many shared links to relevant sites and updated information.

Income Tax Threshold Changes

From 1 July 2016, the income threshold where the 37% marginal tax rate starts to apply will increase from \$80,001 to \$87,001. The income threshold and marginal tax rates from 1 July 2016 are as follows:

Taxable income threshold	Tax payable (excluding Medicare levy)	% tax on excess
\$18,200	Nil	19.0%
\$37,000	\$3,572	32.5%
\$87,000	\$19,822	37.0%
\$180,000	\$54,232	47.0%

A bit of Humour



Celebrating 20 Year at Nhill

On Friday the 21st May 2016 Julie and her team at West Currie Consultants celebrated 20 Years of business at Nhill. We would like to thank all clients and friends who could be there to help celebrate this milestone and for all the well wishes from those who couldn't. Thankyou to our valued clients, for your continued use of our services.

We are all excited to see what the next 20 years will bring.



Housekeeping

If you have received this by email please feel free to forward it onto anybody else you feel could benefit from it.

If you received this by mail but are happy to receive this newsletter and other general correspondence by email in the future, please advise Emma or Leanne of your email address.

Should you wish to contact any of our staff via email—please use the following addresses:

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Quote of the Month: "Though no one can go back and make a brand new start, anyone can start from now and make a brand new ending."

Cooking with WCC

INGREDIENTS

- 2 1/2 cups self-raising flour
- 3/4 cup caster sugar
- 1 tablespoon finely grated lemon rind
- 1/4 cup lemon juice
- 1 cup vanilla yoghurt
- 1/2 cup vegetable oil
- 1 egg, lightly beaten
- Icing sugar mixture and lemon zest, to serve

METHOD

Step 1

Preheat oven to 190°C/170°C fan-forced. Grease two 24-hole, 1 1/2 tablespoon capacity mini muffin pans.

Step 2

Combine flour and sugar in a bowl. Make a well in centre. Add lemon rind, lemon juice, yoghurt, oil and egg. Using a wooden spoon, stir until just combined.

Step 3

Spoon mixture into prepared pan holes. Bake for 10 to 12 minutes, swapping pans halfway during cooking, or until golden and cooked through. Stand in pans for 3 minutes. Turn out onto a wire rack to cool. Dust with icing sugar. Top with lemon zest. Serve.



Disclaimer

WCC newsletter is distributed to provide information of general interest to our clients. The content of this newsletter does not constitute specific advice. Readers are encouraged to consult WCC for advice on specific matters.