



January 2011

## What's in this issue...

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## Hot Topics

### RECOVERING FROM THE FLOODS

The cleanup and long recovery process has started for people and Businesses affected by the recent devastating floods in Queensland and other parts of Australia. There is support available to those affected through the various assistance programmes provided by the Federal, State and Local Governments. There are also many other issues that you will need to consider on the road to recovery.

For further information regarding:

[Government Assistance Packages](#)

[General Business Issues](#)

[Tax Issues](#)

[Other Considerations](#)

Please refer to **Hot Topics Cont'd** below.

## **Important Dates to Remember**

### **21 February**

January 2011 Monthly Activity Statement – Lodge and Pay.

### **28 February**

December Quarter BAS – Lodge and Pay.

### **21 March**

February 2011 Monthly Activity Statement – Lodge and Pay.

## **What's Happening at Marsh Tincknell**

### **New Team Members!**

#### **JULIAN NICHOLS**



Julian Nichols joined the Marsh Tincknell Team in early January, as a Senior Manager.

He will assist Ed and Peter, as well as Randall Corless, in managing work and allowing us all to provide a more personal service, which is an integral part of our Vision & Core Values. Julian will also assist Randal King in managing the compliance work on some of his clients.

In his spare time, Julian enjoys travelling, playing golf, watching movies and the cricket as well as spending time with family and friends.

#### **DAVID MOORE**



Some of you will know David Moore who worked with both the Super and PM teams as an undergraduate up until about 2 years ago.

David successfully finished his degree in November 2010 and has rejoined the Marsh Tincknell Super Team in early January, as a Graduate Accountant.

In his spare time, David enjoys social squash, Xbox gaming and to serve at his local church and youth group

## **SCOTT BAILEY**



After graduating from QUT in 2008 with a Bachelor of Business and an Accounting major Scott began his career at a CBD Chartered Accounting Firm and specialised in management and industry reporting. He joined Marsh Tincknell in early 2011 and is currently completing his Graduate Diploma of Chartered Accounting. He is also a qualified Justice of the Peace.

In his spare time, Scott enjoys cricket, rugby league, soccer and golf as well as spending time with his wife and family.

## **Staff Celebrations!**



### **ED GLASSON'S ENGAGEMENT**

It is with great pleasure that Ed Glasson announced his engagement to Sally Stokes mid December last year. We wish them all the very best for their wedding in 2012 and a wonderful future together.



### **SHONA'S WEDDING DAY**

Shona and Dave were married at Broadway Chapel on the 4<sup>th</sup> of December. During the reception held in Paddington, Dave serenaded Shona with their favourite song, *Tenderly*. They then went on to the *Lomani Island Resort* in Fiji for a beautiful Honeymoon. We wish to congratulate them on their marriage and the very best for their new journey together.



### **THE ARRIVAL OF ANGELA MUNN'S BABY BOY – "JAGGER"**

On the 7<sup>th</sup> of December, Angela and Jason celebrated the arrival of their first child *Jagger John Munns*. We wish them all the happiness in welcoming their beautiful baby boy and beginning a new life together.

*“We all need lots of powerful long-range goals to help us past the short-term obstacles.”*

– from The Treasury of Quotes by Jim Rohn.

## **Hot Topics Cont'd**

### **Government Assistance Packages**

The following Government Assistance Packages have been announced:

#### ***Queensland Government***

- Grants of up to \$25,000
- Low interest loans up to \$250,000

#### ***Australian Government***

- Disaster Recovery Payment Program
- Disaster Income Recovery Subsidy

#### ***Local Government***

- Water Rebate to assist with clean up

If you feel you may be eligible to receive Government Assistance, or even if you are unsure, please contact us for further assistance.

### **General Business Issues**

#### ***Insurance Matters***

Locate your insurance policy and review its terms. If your policy document cannot be found or has been destroyed, contact your Broker or Insurer to request a full copy. It is important to review the document and discuss with your Insurer or Broker:

- the terms of your policy and your eligibility to make a claim (all insurers

are urging their clients to notify them of any potential claims even if you think you may not be covered)

- the information required to support your claim, i.e. photographic or video recordings of your premises and damage to Property, Plant and Equipment, Stock and any other Business items being disposed of (it is recommended that you keep records of serial numbers and identification labels where possible)

Many Business policies may include a provision for claims for loss of trading profits, in addition to the general claims for Property, Equipment, Stock and Fixtures. If this applies to you, there should be a specific section within the policy which deals with a right to claim following an "insurable event" and sets out how to calculate your claim.

As with any insurable event, you need to mitigate your loss. That is, you need to do all positive and possible actions to get your Business operating as it was before.

You should speak to your Insurer or Broker as soon as possible to get specific advice from them on any steps or information they need from you.

### ***Cash Flow Planning***

Cash is vital to your Business and therefore it is important that you consider the impact that the flood crisis will have on your cash flow. In reviewing your cash flow requirements you will need to consider:

- Customers and their ability to pay your invoices and/or trade terms
- your ability to pay your Creditors
- Bank Covenants
- financial arrangements

It is important to review the cash needs of your Business by revisiting your cash flow forecast and ensuring you take into account the potential for reduced sales and/or higher costs of supplies/services. Please contact our office should you require assistance with your cash flow forecast.

Most Banks have indicated a willingness to assist Customers on a case by case basis. The key message from the Banks is to take the initiative to talk to them and to be properly prepared to discuss the impact on your Business as a result of the floods.

We expect that if you are going to be requesting additional funding that your Banker will want to review amended Business Plans and Forecasts.

Matters to be considered prior to and in discussions with your relationship manager are:

- Need for a freeze on both principal and interest repayments

- Need for additional working capital funding, or
- Need to restructure facilities

### ***Clients/customers***

Many of your Clients and Customers will be facing the same issues as you. At this time we would recommend that you contact them to discuss:

- the fact that you are open for Business and any special conditions they should be aware of in dealing with you
- how the floods have affected their Business
- their ability to pay amounts owing to you
- a review of existing credit terms and/or negotiate new terms
- their future requirements, i.e. what items or services will they be requiring over the next couple of months

### ***Suppliers***

Your suppliers may also be affected by the floods. We would recommend that you contact your suppliers and discuss with them:

- your ability to pay amounts owing to them
- a review of existing credit terms and/or negotiate new ones
- their ability to supply you with goods/services
- any change in pricing that may impact your Business

## **Tax Issues**

The Australian Taxation Office (ATO) have announced the following assistance measures to support people affected by the floods:

- fast tracking refunds
- providing deferrals for lodgement and payment obligations
- helping reconstruct tax records where documents have been destroyed
- offering personal visits from ATO staff where appropriate.

The Business Activity Statement (BAS) concessions announced only relate to monthly lodgers for the December 2010 BAS. Other requests for deferrals will be considered on a case by case basis.

### ***PAYG Instalments***

As a result of the impact of the floods, the level of PAYG Instalments being paid to the ATO may no longer be appropriate for your Business. Where the change in circumstances would mean that you have already paid too much PAYG, it is possible to claim a credit in your next Activity Statement. Where payments are still needed but at a lower level, a process is available to vary the Instalment

level. Please contact our office so that we can assist you with this process.

### ***Superannuation Guarantee***

There have been no deferrals announced regarding the payment of Employee Superannuation Contributions. We recommend that Superannuation payments be made on time if at all possible. Where this is not possible, a Superannuation Guarantee Charge Statement should be lodged as soon as possible, as interest will continue to accrue on shortfall contributions until the Statement is lodged.

## **Other Considerations**

### ***Telecommunications***

Telecommunication providers including Telstra, Optus, Vodafone and 3 Network are offering assistance packages for Customers who have been evacuated from their homes or whose phone services have been affected by the recent storms and flooding. Depending on the circumstances, the package may include:

- free call diversion of their fixed line
- fixed line rates on mobiles
- phone number reservation for up to 12 months
- free connection within 12 months
- \$50 free credit for mobile customers without a fixed line
- extended payment terms and in some cases offering to waive bills

Contact your provider for specific information on the assistance available to you.

### ***Superannuation***

In very limited circumstances, clients who are impacted by the floods may be able to access their Superannuation.

Superannuation laws allow early access for:

- severe financial hardship
- compassionate grounds

Severe financial hardship applies for someone who has been on Commonwealth Government support for more than 26 weeks and is unable to meet reasonable living expenses. In such cases, an amount of between \$1,000 and \$10,000 can be withdrawn per annum.

Compassionate grounds apply for the following circumstances and where the person does not have the financial capacity to meet the costs:

- to pay for medical treatment or medical transport
- to enable the person to make a loan repayment to prevent foreclosure etc over the person's principal place of residence
- to modify the PPR to accommodate needs arising from severe disability
- to pay expenses associated with palliative care, death, funeral or burial of a dependant

### ***Deductibility of donations***

The ATO has approved "bucket donations" for the 2011 Queensland and Northern NSW floods. The ATO will allow deductions for donations in 2010-11 tax returns up to \$10 made to "bucket appeals" for the floods without needing to keep a receipt. Those making donations through other means, such as a bank or retail outlet, should make sure they receive a receipt in order to claim a deduction.