

Computer Software Upgrade—Moving Forward

December 2010

We are all aware that computer technology and programs are advancing at a rapid pace. Traditionally, computer software programs have been written in 32 bit technology, however many of the new programs are being written in 64 bit technology, which is a substantially faster processing speed than the 32 bit technology.

In early 2011, Carey Accountants will move to the 64 bit technology. The downside with this move is that some of the older versions of MYOB, QuickBooks, Cashman and other accounting programs will not run on the new high speed system without being upgraded.

If you are using these older versions, your Carey Accountant will be contacting you to discuss available options such as:

- Upgrade existing programs
• Change to alternative programs
- BankLink
- MYOB web-based programs

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In This Edition

Carey Computer Software Upgrade

Fuel Tax Credit Rate Change

Annual Cane Statements

Bamford Case

A Christmas Gift for the ATO

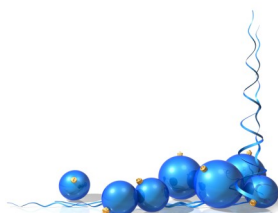
Investment Confidence is Contagious

Heavy Road Vehicles Fuel Tax Credit Rate Change

From 1 July 2010, the fuel tax credit rate for heavy vehicles that use fuel such as diesel or petrol and travel on public roads, has been reduced to 15.543 cents per litre.

A heavy vehicle is a vehicle with a gross vehicle mass (GVM) greater than 4.5 tone. Diesel vehicles acquired before 1 July 2006 can equal 4.5GVM tonne.

All heavy road vehicle users will need to apply the new fuel tax credit rate from 1 July 2010 onwards, which means the business activity statement calculation for the fuel tax credit will be different for the 2010/11 year and onwards.



Impact of Bamford Case on Primary Producers

Following the decision by the High Court in Bamford v Commissioner of Taxation [2009] FCAFC66, the Commissioner of Taxation withdrew Taxation Ruling TR 95/29 with effect from the 2010 / 2011 year.

This ruling may have significant implications for taxpayers who are primary producers.

Prior to the Bamford's case, individuals who were presently entitled to the income of a primary production Trust were deemed to be primary producers.

However, following the withdrawal of TR 95/29, a Beneficiary of a primary production Trust will no longer be a 'primary producer' if the Trust makes a loss.

Ceasing to be a primary producer has two very serious consequences.

- 1. The Beneficiary will not be able to use the 5 year Primary Producer Averaging Provisions
2. Any money that has been placed in a Farm Management Deposit must be immediately recalled and will be treated as assessable income

If you are concerned that your farming Trust is likely to make a loss in the current financial year, please contact Carey Accountants.



Annual Cane Statements

CSR have advised that annual cane statements will not be printed and sent out as in the previous year.

The cane statements can be accessed on the Sucrogen website:

http://www.sucrogengrowerweb.com/

and entering your grower password.

For any further queries in obtaining your statements, please contact either :

Tammy McCarthy telephone 4722 1982 (Burdekin) or

Julie Cantoni telephone 4776 4218 hbt.enquiry@sucrogen.com

A Christmas Gift for the ATO—End of Year Parties and Gifts for Staff

The year end is well and truly upon us and as is the festive season tradition in Australia, many businesses are celebrating with the 'end of year' staff party. In addition, many employers will be considering what gifts, if any, they will give to employees.

The ATO considers work parties and gifts to be Fringe Benefits.

An important issue for employers to consider is the possible costs of unexpected Fringe Benefits Tax and Income Tax implications of providing "entertainment" and gifts to staff.

The end result will be one of two McScrooge scenarios:

- Fringe Benefits Tax will be paid on the Benefit or
•The Benefit will not be tax deductible

Employers concerned about the impact of FBT or Income Tax on their Christmas "bash" and gift giving, should contact Carey Accountants before finalising plans.



Investment Confidence is CONTAGIOUS!

To quote the great sporting coach, Vince Lombardi...

"Confidence is contagious. So is lack of confidence."

and the latter is precisely where we are at with sharemarkets and have been so for some time.

Strangely enough, there is no real reason now for such a sustained lack of confidence. The Australian economy avoided a recession, is performing well and growing, our companies reduced debt during the GFC, are profitable and cashed up, 95% of people have jobs, interest rates are still relatively low and Resource Boom Mark II is underway. Sure, there will always be some sectors in the economy struggling at any given point in time, but that is normal and on the whole, the big picture is looking good. However, the media does not focus on what is going well and in reality, for the average person on the street it's as if the Kurdaitcha man has pointed the bone and we have collectively become frozen with fear.

So why is the sentiment so poor? Yes, we are still suffering a hangover from the GFC, but account balances will gradually repair over time. The culprit is the psychological tendency of humans to gravitate towards the negative instead of the positive. Pessimism is not in short supply as a result of constant, internet messages about what could go wrong financially with the world. Read the paper, read the newspaper the news tonight and see how many positive stories are reported and we wager there won't be many, as good news does not sell.

Therefore, we ask you why do you choose to allow yourself to be shaped by negative news about what may go wrong?

Our challenge to all for 2011 is instead of allowing the media to help you climb the walls of worry, why don't we all exercise some independent thought and focus on what could go right. After all, what is often forgotten is that the human race is remarkably resilient, we face -up to our issues, overcome them and society progresses. There is no reason why this won't continue to happen.

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