

Welcome

We sincerely hope that your start to 2007 has been very productive and fruitful for you. We thank those of you who have visited us on-line – there has been increased traffic. Please tell your friends about us and check out some of the links and advertisements that might be relevant to your interests.

Fun at work

All too often we forget that despite the serious nature of our jobs we should strive to make them as enjoyable as possible.

Do you usually look for ways to make work fun? Are you always there, being part of the moment? How could you make your work an enjoyable game for yourself and your workmates?

Visit the library or your local bookshop and pick up a copy of the book “*Fish*” by Stephen Lundin and others. It is a story based on the Pike Place Fish Market in Seattle, USA. Have a look at their site (www.pikeplacefish.com) – it’s a real business where people have fun and the business became world famous by “being truly great with people”.

Laughter

It’s something we all need, including (believe it or not) President George Bush. Take about 12 minutes to watch not just 1 George Bush but 2 of him at once – you’ll enjoy it.

How well do you laugh at yourself?

Click the link or type it into your address bar. Thanks for the link from the Gurteen Knowledge Community.

<http://video.google.com/videoplay?docid=-1921276117304287501&q=genre:comedy>

Our events.

Please check the [events](#) page on the website for our workshops and seminars –

- Business Builders
- GST
- Financial Reports
- Rental Properties

Express your interest – Contact admin@profitrain.com.au

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The Banks and penalty fees.

It seems that while the banks love to take these fees from our accounts when we inadvertently fall into the red they may be unenforceable.

There is currently a case against the banks being run in the UK to test the recoverability of these fees. It seems it’s legal for the banks to recover their costs in allowing your account to become overdrawn or dishonour a payment but not to profit from the fees charged.

The link below will take you to the Michael Pascoe story from a Sunrise breakfast program late in February and has some interesting links to provide you with more information and ammunition if you want to try to recover any of the charges you think are excessive.

We particularly like this paragraph from the article – “And as for the disclosure argument, one of the British consumer web sites gives the example that if someone tells you they are going to punch you in the head, it does not make it legal for them to subsequently hit you.”

It’s an interesting article - take time to read it.

<http://au.blogs.yahoo.com/michaelpascoe/17/banks-gouging-out-dodgy-penalty-fees>

The Reserve Bank on Interest rates.

Was the Governor of the Reserve Bank’s comments to a Parliamentary Committee a warning or just a reminder that consumer spending and debt remains high? The inflation rate while under the 3% benchmark is still in the upper range of the banks acceptable range.

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Commentators seem to be saying it looks like a warning and rates probably won't move in the near future.

Our tip - keep your eye on the economic statistics for clues and watch the long term rates movements as an indicator of market expectations.

Individual Tax News and Tips

Property investors and negative gearing

Do you own a rental property or are you thinking of investing in a rental property? This can be a great way to generate wealth if you do your homework and understand the way the tax laws work for property investors.

Negative gearing has lost some of its appeal with the recent changes in personal tax rates. Many landlords now only receive a tax benefit of 31½ cents in the dollar expended and this means they have to fund 68½ cents of the loss each year.

It was not all that long ago that this was a 48½ cent in the dollar benefit where taxpayers had an income exceeding \$60,000 per annum. Now to get a 46½ cent benefit for each dollar of expense a taxpayer needs to earn in excess of \$150,000.

Tax rates 2006-07

<i>Taxable income</i>	<i>Tax on this income</i>
\$0 – \$6,000	Nil
\$6,001 – \$25,000	15c for each \$1 over \$6,000
\$25,001 – \$75,000	\$2,850 plus 30c for each \$1 over \$25,000
\$75,001 – \$150,000	\$17,850 plus 40c for each \$1 over \$75,000
Over \$150,000	\$47,850 plus 45c for each \$1 over \$150,000

The reduced tax rates will mean reduced refunds and you therefore need to ensure you avail yourself of every available tax deduction on your property.

Items of furniture or other small assets up to a cost of \$300 can be deducted immediately as long as they are not part of a set. Careful buying

and good negotiating can increase your deductions.

Ensure you have a properly prepared Depreciation and Cost of Construction report prepared to maximise your non-cash deductions. A word of warning, the Tax Office is reviewing many of these Quantity Surveyor reports and will challenge costs that they consider to be excessive in the report.

If you own the property with your partner and there is a large difference in respective incomes we have a strategy that can enable the higher income earner to effectively claim the expenses against their income. This requires the cooperation of the employer of the high income earner to maximise the deductions through salary sacrifice. The strategy does not fall foul of the FBT laws. The expenses are not taxable fringe benefits because of the application of "the otherwise deductible rule".

Don't forget to log trips to check the property, bank rent, visit the agent, other related travel and if long distance travel is required get advice on how to maximise your deductions before you travel.



Business Tax News and Tips

BAS and GST

Did you meet the 28 February deadline for the December 2006 Quarter BAS? If not please treat it as a high priority task. If you need help then please call for help.

The Tax Office has indicated it will take a much tougher stance on penalties for late and non-lodgement of documents by the due dates. These vary between \$110 per month and \$550 per month plus interest on the unpaid tax liability.

Does your business have a uniform?

A uniform is a fantastic way to promote your business and create an image in the marketplace.

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It is good business practice and provides better tax benefits if the uniform is registered.

Registration of your business uniform is easy. Log on to the AusIndustry website, using the link below, and downloading an application form.
<http://www.ausindustry.gov.au/content/azindex.cfm?Keyword=uniform>

Completing the application form is quite straight forward and last time we looked it was free.

What are the tax benefits in doing this?

- The uniform becomes tax deductible.
- Maintenance is an allowable deduction.
- Laundry can be claimed – possibly \$150 per year with minimal records.
- It will be an exempt fringe benefit when provided to staff.
- Tax deductions available to your staff will be simplified for them.

Fringe Benefits Tax time is near.

The FBT year end is 31 March and not too far from us. You need to check your situation now so that any adjustments and reimbursements can be made in time to minimise your FBT liability.

Remind your friends in business that the FBT year end is here and that they should get ready for it now.

Remember it is too late to fix any problems after 31 March so take a proactive position and if affected by FBT resolve any issues now.

Self Managed Superannuation Funds

Did you know you could compromise your self managed superannuation fund's preferential tax status by hanging an artwork owned by the fund in your office?

This may cause your fund to fail the sole purpose test as you would be gaining enjoyment from this asset. The tax consequences could be a disaster for your future retirement plans.

If you need help in this area we will refer you to one of two associates who specialise in superannuation funds.

Management Issues

How well do you understand your market?

Michael Gerber from the E-Myth Corporation (see note at end of this section) has identified a lack of understanding of the marketplace as a significant reason for business under-performance or failure. This he breaks into 2 areas

- Poor market segmentation and strategy
- Lack of knowledge of the market and competition

How much time should you spend or how much money should you invest in gaining this information? That will depend on many factors but you can do some relatively simple analysis to get the ball rolling.

You must be able to identify exactly how your product or service adds value to your customers.

You may have heard this story before but it illustrates the point. People don't buy a product or service they buy solutions.

If you have a problem that requires you to have a ¼ inch hole in a stone wall you'll buy a tool that does that – a ¼" masonry bit - because it will give you the ¼" hole that you want. You have really purchased a ¼" hole.

Ask what problem does your product or service solve and you will have identified a significant value-add facet of your business.

Now ask who in the market place has that problem to solve.

Break these typical users into significant different groups.

Identify which groups would most likely have your best or preferred customers.

Identify how best to target them – how to best communicate with these groups.



www.ProfiTrain.com.au

Events and products

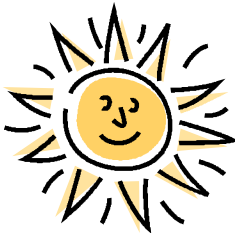
Carry out a similar analysis of the competition to better understand where your business is in relation to others in the marketplace.

It is better to identify gaps in the market and be consumer focussed than product focussed. Identify opportunities in the market and seek to solve the consumer's problem.

If you are interested in the methodology contact Chris for some templates that will assist you to identify who your customers are, what your products or services do for them and who and what your competition is and why you are better.

Note: The E-Myth Corporation have assisted and consulted to over 450,000 businesses worldwide and their principles and practices have been adopted by many business consultants and coaches. www.e-myth.com

Our Community



Be sun safe

Slip on a hat

Slap on a Shirt

Slop on the sunscreen

Cooking tips from Nick

Add a touch of coriander to your stir-fry dishes to enhance the flavour and authenticity of these Asian meals. Remember that the stems and roots hold more flavour than the leaves. Just give them a good wash.

Nick Stanton-Cook is the 2006 National and Queensland title holder in the category for the best "National Kikkoman Australia - East meets West" dish using mushrooms in the prestigious Mushroom Mania Competition. [View here](#)



Have you visited the web sites recently?

www.profitrain.com.au

More business building tips and articles are added each month.

www.cosc.com.au

More tax tips and other accounting matters for you're here

Please tell your friends about the websites, the practice and feel free to forward this newsletter to your friends and associates.

Do you want to start up or build your business in 2007?

[ProfiTrain](http://www.profitrain.com.au) is running Business Building Workshops (4 sessions in each program) throughout 2007. More details on the events page at www.profitrain.com.au.

You can access a \$6,000 consulting package for your business for as little as \$750 including GST. Maximum of 10 Businesses and 20 people so personal attention is guaranteed. Money back guarantee if the program does not lead to improvements in your business.

Business Focus 1

Be work Smart – More Time for You!

This book has a number of business building topics and exercises that help builders of businesses focus on the critical issues. Read an E-book version of Business Focus 1 (limited access). Contact Chris today.

Keep safe



*stay healthy
and happy*

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