



## GraypeVine Newsletter 2008

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### *Partners of*

#### **DFK Gray Perry**

James W Perry, CA  
Michael D Gray, CA  
Brendon J Skates, CA

### **Address**

1<sup>st</sup> Floor, 89-92 South Terrace  
Adelaide SA 5000

**Telephone:** (08) 8212 2366  
**Fax:** (08) 8231 5035  
**Email:** [dfkgrayperry@dfkadel.com](mailto:dfkgrayperry@dfkadel.com)  
**Website:** [www.dfkadel.com](http://www.dfkadel.com)

Please Note: Many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances.

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## Are we there yet!

Can we afford to be positive about the future? Is it possible to look over the mountain of bad news—credit crunch, sub prime, inflation, interest rates, retail sales, house prices, petrol prices, share prices and see the benefits of Resources, Defence and Education to our State?

Is it possible for South Australia to escape global problems and surge forward?

We think Business and Consumers should consider the dilemma in short term, medium term and long term strategies.

The short term is about fundamentals. Watch your cash, make sure your resources are being used to capacity, maintain a watch on cost increases, your cost of living and your prices.

It is the time for budgeting.

The medium term should be about maintaining and enhancing your strategic advantage. Remind the market about your strengths. It should also be about planning your direction.

Finally the long term strategy may be about adjusting to change that the current economic conditions may introduce into the marketplace. This is equally important for business and households.

During turbulent times be alert to change, be pro active, be willing to act, keep vigilant to fundamentals and also be positive and look for opportunities.

We have a wealth of knowledge and information in our team at DFK Gray Perry. Several of our team have first hand experience of the severe downturn that affected South Australia in the late 1980's. We are confident in our ability to help you.

## Put yourself in the picture



### **Bank needs information?**

They will be impressed with your ability to forecast, Profit, Cash and Balance sheet position into the future.

Our Winforecast software is the tool.

### **What if I changed my prices?**

'What if analysis' is about changing variables such as price, costs, margins and comparing results until you reach a combination that matches your expectations.

Our Optimist software is the tool for this task.

### **How do I compare?**

Benchmark yourself against your industry peers. Discover what it is you do well and perhaps not so well.

Our Benchmark software will help you.

Our team members are very experienced in all these products. They may be the way forward in difficult times.



## Taxation Matters

### More Tax Cuts



Income tax cuts will be phased in over the 2008/09 and the 2009/10 years as follows:

| Current 2008 tax thresholds Income range (\$) | Tax Rate % | New tax threshold from 1 July 2008 Income Range (\$) | Tax Rate % |
|---|------------|--|------------|
| 0 – 6,000                                     | 0          | 0 – 6,000  | 0          |
| 6,001 – 30,000                                | 15         | 6,001 – 34,000                                       | 15         |
| 30,001 – 75,000                               | 30         | 34,001 – 80,000                                      | 30         |
| 75,001 – 150,000                              | 40         | 80,001 – 180,000                                     | 40         |
| 150,001 +                                     | 45         | 180,001+   | 45         |
| Current 2008 tax thresholds Income range (\$) | Tax Rate % | New tax threshold from 1 July 2009 Income range (\$) | Tax Rate % |
| 0 – 6,000                                     | 0          | 0 – 6,000  | 0          |
| 6,001 – 30,000                                | 15         | 6,001 – 35,000                                       | 15         |
| 30,001 – 75,000                               | 30         | 35,001 – 80,000                                      | 30         |
| 75,001 – 150,000                              | 40         | 80,001 – 180,000                                     | 40         |
| 150,001 +                                     | 45         | 180,001+   | 45         |

### Medicare Levy – Low Income Threshold

The 2008/09 Medicare Levy low-income thresholds will be as follows:

|             |          |                       |
|-------------|----------|-----------------------|
| Individuals | \$17,309 | (previously \$16,740) |
| Families    | \$29,207 | (previously \$28,247) |

The additional amount of threshold for each dependant child student will also be increased to \$2,682 (previously \$2,594).

### Minors



Minors will not be taxed in 2008/09 until annual income exceeds \$2,667 (up from \$1,667).

**Take Note: Family Trust Distributions**

### Carbon Trading Update

It is a reality and business must prepare for it.

Following our comments made in our June 2007 GraypeVine we note a greater amount of media and political discussion on the impending introduction of carbon-trading in 2010, the **Emissions Trading System (ETS)**.



What should I do now?

- Gather information about carbon-trading
- Understand how pollution will be converted to a cost to business and individuals in the form of higher energy costs.

What is it again?

- It is a marketplace for the sale and purchase of pollution credits based around a pollution cap.

How is it priced?

- Unknown at this stage but likely left to the market.

Why will energy cost more?

- Polluters will be able to continue polluting if they buy carbon credits. This cost will be passed on.

Are there opportunities?

- If you create green energy you will receive carbon credits which you can sell.

### More Taxation Updates

We currently email to over 140 clients our monthly **Client Alert** Newsletter. This regular update covers all matters of taxation from Budget updates to the Taxation Departments attitude to deductions and occupations being targeted. This year that includes rental properties.

If you would like to be added to our email list you can subscribe via our website, [www.dfkadel.com](http://www.dfkadel.com), or by contacting Rita or Jacque at our office.

You can access back copies of all Newsletters and Checklists in the 'GP News' Tab on the Website (lower part of screen).

## IT Matters

### Upgrade Your Software

Here are some delays our accountants and staff encounter when preparing clients work:

| Problem  | Solution  |
|--|---|
| Software is out-dated and proving hard to restore on our computer systems  | Upgrade your software. Many new computers will NOT run old software.  |
| Floppy disks or CD's do not work or open properly  | We suggest using USB memory sticks to bring in your software. If you need information about these data devices please ask any of our team members.  |
| Information is not provided when the work is brought in, or there is a delay in finding the information as the client was not aware it was required. | We have a very useful 'checklist' for individuals and business that has a list of documentation we may need. This may also help you to claim extra deductions you may not have been aware of previously.  |
| Clients are not able to be contacted quickly for answers to queries.   | When you bring in your end of year tax work ensure we have up to date contact details including phone numbers, email addresses and postal addresses. If you are going away and will not be contactable it is also essential to inform us of dates you will be away and returning. |



### The Paperless Way

We recently completed a Client's Tax Return without printing or using a single piece of paper. Here's how it was achieved:

- Client emailed up-to-date and reconciled MYOB file.
- DFK Gray Perry team member extracted the data from the email and restored it.
- MYOB file reviewed and corrections identified and made to information supplied.
- Client scanned and emailed relevant data required for evidence such as bank statements, loan contracts, asset purchases, Workcover reconciliation, wages reconciliation (this could also have been achieved by faxing documents as our fax machine is integrated with our email system and is also paperless).
- Client was able to answer (via email or phone) a list of queries we had emailed them.
- Easy to understand journal entries were prepared for the client to enter into MYOB to bring in the corrections made for the Financial Year.
- Financial statements and tax returns were prepared from this information and emailed to our client.

For a more secure transmission of these confidential documents we suggest using our 'Secure Client' area via our website. See below for details.

### Secure Area —Client Login

On our website ([www.dfkadell.com](http://www.dfkadell.com)) our clients can login to their own personal Secure Area to access reports, documents etc via the 'Client Login' tab.

Clients can also choose to use their secure area to send us files/documents (this is a much better protocol than email for sending large or confidential files).

Information can be safely stored and accessed day or night, 365 days a year. **We encourage clients** to use the Secure Area to upload other important

documentation such as Wills, Trust Deeds, Constitutions, Powers of Attorney, Property Deeds, Insurance Documents etc.

Please try the demo of our Secure Area on our website ([www.dfkadell.com](http://www.dfkadell.com)), access via 'Client Login' tab. If you would like to sign up for this **FREE** service please phone us on 82122366 or click on the 'contact us' button while in the Secure Area on the website. **Rita** will be happy to activate an account for you.





## Office Matters

This year we welcome three new faces. Rinika Kumar has joined the accounting team and has quickly added to the excellent culture that we are so proud of. Rinika will assist in both audit and taxation.

Laura Gray has commenced as our part-time filing clerk whilst undertaking University studies.

Jacque Warner is our most recent recruit, joining our administration team and assisting Rita at reception.

Our international travel culture has continued over the last 12 months covering Nepal, Tibet, India, Fiji, Peru, Argentina, Brazil and many parts of Australia.

We encourage travel amongst the team believing a global outlook is beneficial to understanding client needs in today's marketplace.

We continued our Community involvement and congratulate Jim Perry on his appointment as Chairman of the Lakeside Retirement Village—a not for profit organisation.

During the year Sam completed his CA qualifications and we congratulate him on his success. Emily, Adele and Rinika continue their studies adding to our rapidly growing knowledge base.

### Milestones

**Our membership of DFK** has been a very important part of our business and we believe it adds a significant benefit to clients both in direct knowledge and indirectly through information sharing amongst the international DFK community.

This is particularly important in these uncertain economic times.



This year we celebrate 18 years as a very active member. DFK Gray Perry is proudly the longest serving DFK member in Australia/New Zealand.



In 2008 Adele celebrates 10 years with DFK Gray Perry. She started as Junior Officer Clerk and is now a valuable member of the Accounting team. It's a big year for Adele, she also married in February.

Emily was also married in February and chose the Adelaide Town Hall for the ceremony.

### Our 50th Year

2008 also marks the 50th year in the journey of DFK Gray Perry. The original firm began in June 1958 by Mr Hallam Gray, father of Michael Gray.

### Darwin Office Update

Another milestone. We are the DFK representative in Darwin and have been serving the market for 10 years. Our networks in Darwin are significant and we would be happy to assist clients in Northern Territory.



The **DFK Gray Perry** team are committed to the DFK International Quality Assurance program



### Quality

- Member firms are committed to achieving consistent professional and ethical standards
- DFK International has a Quality Assurance programme in place, with which member firms are required to comply
- All assignments are reviewed to ensure quality and to identify opportunities to add value
- Member firms invest in good people and provide appropriate training and professional development
- Member firms regularly update their technology to support their clients' businesses