



Cystic Fibrosis a cause for casual cash



Earlier this year AFS were saddened to hear the news that Macie had been diagnosed with Cystic Fibrosis (CF). Macie is the granddaughter of Danny Caulfield, one of our long term associates.

Little Macie was struggling to gain weight and had a nasty cough that she couldn't shake. Christie, Macie's mother, knew something wasn't quite right. When she was five weeks old she received a call from the GP advising that the results were back from the heel prick test (taken at birth) that confirmed Macie had CF.

Knowing little about the illness and what was in store for them, Christie and husband Mick went down to the Royal Children's to receive a crash course in CF. The family have decided to put all of their efforts into raising awareness for the condition and

contributing as much as they can to finding a cure for the disease within Macie's lifetime.

Life expectancy today for someone with CF is 37 years old. On a regular day, Macie's routine includes two 30 minute sessions of physiotherapy (tapping to her chest and side), regular antibiotics, vitamins, reflux medication and enzymes.

The family have a team running in the Great Strides Run/Walk for Cystic Fibrosis in Bendigo on Sunday 23 October. AFS are pleased to have made a corporate donation of \$500 as well as our casual cash for this quarter to the 'Breathe for Macie' team to help find a cure for this debilitating disease.

If you would like to participate or donate head to www.gs2016bendigo.everydayhero.com/au/breathe-for-macie

Individual income tax rate cut

The Government recently confirmed that from 1 July 2016, for individual taxpayers, the marginal tax rate of 37 per cent will start at \$87,000 instead of \$80,000.

An individual's taxable income must be more than \$80,000 to benefit from this change.

For employees

Since 1 October 2016, if you earn more than \$80,000 per year, your employer will reduce the amount of tax being withheld from your pay. You don't need to do anything. Any extra tax you have paid before the change in threshold was implemented will be credited to you when you lodge your 2017 income tax return.

For employers

New tax tables and payroll software updates apply from 1 October 2016. The ATO Tax Withheld Calculator has also been updated to take effect from this date. Contact your software provider for the relevant payroll updates or download the latest tax table at www.ato.gov.au/rates/tax-tables.



ATTENTION EMPLOYERS!

Reminder: Tax tables changed on 1 October

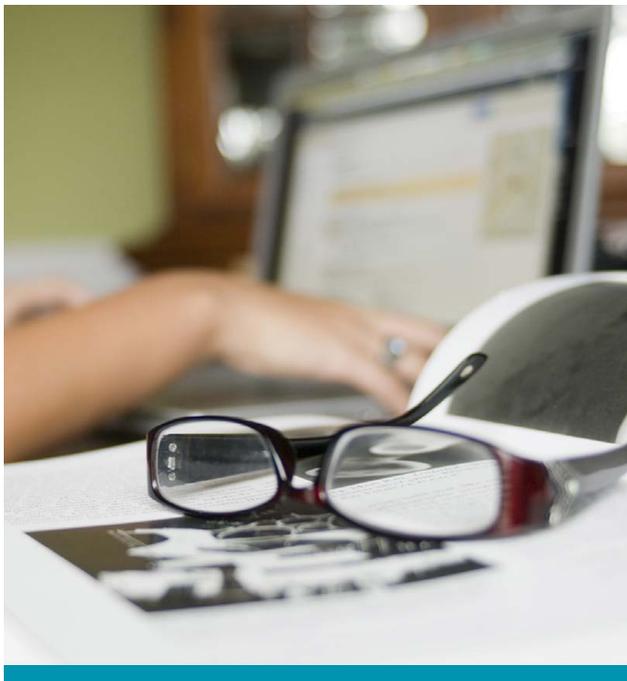
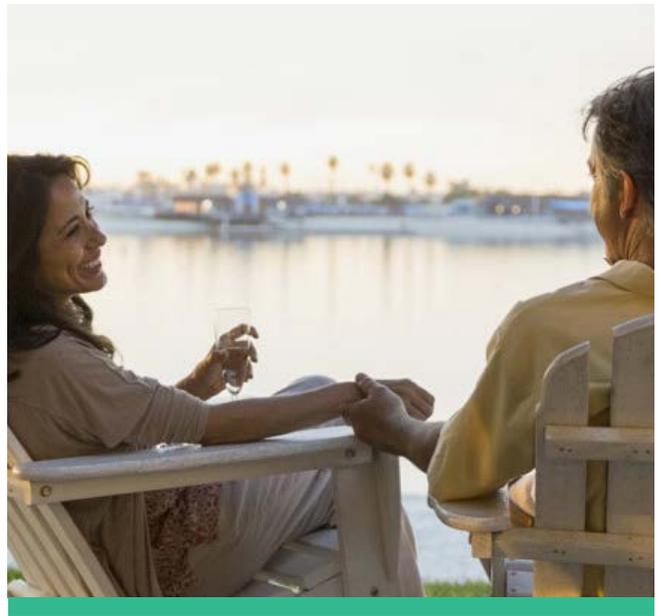
Proposed superannuation reforms

The Government has announced it will amend some of the superannuation reforms proposed in the May 2016 Federal Budget.

Summary of proposed amendments:

- the lifetime limit of \$500,000 on non-concessional super contributions won't proceed
- people aged 65 to 74 will still need to meet a 'work test' to be able to contribute to super
- the opportunity to make 'catch-up' concessional super contributions will be delayed by 12 months.

These amendments and the proposals announced in the 2016 Federal Budget could impact your retirement and how you save for it. Head to our blog for more details at www.afsbendigo.com.au/proposed-super-reforms. We will update you as more information is released.



Take care with work-related deduction claims, says ATO

The ATO has reminded individuals to make sure they get their deductions right. Assistant Commissioner Graham Whyte said the ATO has seen "claims for car expenses where logbooks have been made up and claims for self-education expenses where invoices were supplied for conferences that the taxpayer never attended".

Mr Whyte said that in 2014–2015 the ATO conducted around 450,000 reviews and audits of individual taxpayers, leading to revenue adjustments of over \$1.1 billion in income tax. Mr Whyte said "every tax return is scrutinised", and if a red flag is raised and the claims seem unusual, the ATO will check them with the taxpayer's employer. In addition, Mr Whyte reminded taxpayers that this year the ATO has introduced "real-time checks of deductions for tax returns completed online".

Please contact AFS for advice on the eligibility of your deductions.

ATO small business benchmarks updated

The ATO has announced the latest benchmarks for small businesses. Based on the data from 2014 income tax returns and business activity statements, the benchmarks cover over 1.3 million small businesses.

ATO Assistant Commissioner Matthew Bambrick said one of the great things about the benchmarks was that they gave a lot of small business owner's peace of mind.

"If a small business is inside the benchmark range for their industry and the ATO hasn't received any extra information that may cause concern, they can be confident that they probably won't hear from us", Mr Bambrick said.

Mr Bambrick said some small businesses outside the benchmark range may simply be incorrectly registered, or the business intent may have changed since starting up. "These types of small administrative errors can be easily fixed by checking the previous year's tax return to see which business industry code was used and then updating it in the next return and on the Australian Business Register", Mr Bambrick said.

- **Business owners can use the benchmarks to compare their businesses with other similar businesses.**
- **They can also be used by the ATO to identify businesses that may not be meeting their tax obligations.**

For your industry benchmarks head to www.ato.gov.au/business/small-business-benchmarks.

Awards update: changes to annual leave

Cash or holiday? The Fair Work Commission has announced variations to awards regarding annual leave. As of 29 July 2016, the changes include cashing out annual leave, taking leave in advance, and how to deal with excessive accumulated leave.

Cashing out annual leave

Most awards now allow employees to cash out annual leave if they have at least four weeks leave remaining after having it cashed out and have a signed written agreement with their employer. An employee may not cash out more than two weeks accrued leave within a 12 month period.

Taking leave in advance

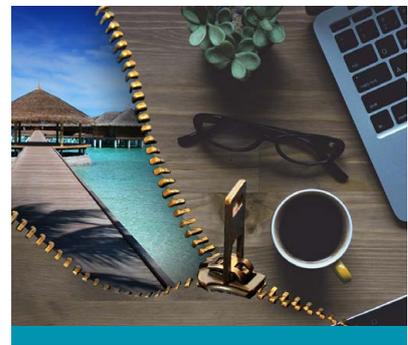
These changes now mean that most employees can take annual leave in advance before they have accrued it if their employer agrees in writing. The written agreement must be signed by both the employer and the employee, outline how much annual leave is being taken in advance and the day the leave will start.

Managing excessive annual leave balances

If an employee has eight or more weeks of annual leave accumulated (and 10 weeks for shift workers) they may be entitled to have some of it paid out. If there is excessive leave and the employee and employer can't agree on when to take it, the employer can:

- tell the employee in writing that they must take annual leave
- give the employee at least eight weeks' notice of when the leave will start.

To read more on the changes to awards surrounding annual leave go to the Fair Work Commission website at www.fairwork.gov.au/leave/annual-leave.



Social security and aged care assessment of former home

From 1 January 2017, the assessment of the former family home for social security purposes will be brought into line with the assessment that currently applies when aged care fees are calculated. This change was included in the *Budget Savings (Omnibus) Act 2016*, which passed the Senate on 15 September 2016.

From 1 January 2017

For Centrelink and DVA purposes, if a resident enters residential aged care on or after 1 January 2017:

- they will continue to have their former family home exempt from social security assessment for up to two years after moving into care (after two years the home becomes an assessable asset), and
- net rental income (for social security purposes) will be immediately assessed as income.

This treatment will apply regardless of how the accommodation payment is paid.

Prior to 1 January 2017

Currently, the former family home is exempt indefinitely for social security purposes (and all rental income received from the property is exempt under the social security income test) if the person:

- leaves their home to enter a residential care facility
- rents their former family home, and
- pays their accommodation payment at least partially as a daily payment.

People who are in care prior to 1 January 2017, and do not subsequently leave care for a period of more than 28 consecutive days, will not be impacted by the new rules even if any rental agreement only comes into effect after this time.

If you would like to know more on what to consider before entering an aged home to make a smoother transaction head to www.venturebendigo.com.au/news.



The information in this document reflects our understanding of existing legislation, proposed legislation, rulings etc as at the date of issue. In some cases the information has been provided to us by third parties. While it is believed the information is accurate and reliable, this is not guaranteed in any way.

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GODFREY PEMBROKE

Share economy participants reminded of tax obligations

The ATO has reminded people who earn income in the share economy that they have tax obligations. The type of goods or services you provide, and how much you provide, will determine what you need to do for tax. Popular sharing economy services include:

- providing 'ride sourcing' services for a fare
- renting out a room, whole house or unit on a short time basis
- renting out a car parking space; and
- providing personal services, such as creative or professional services like graphic design and website creation, or doing odd jobs like deliveries and furniture assembly.

The ATO notes that you need to get an ABN if you are carrying on an enterprise providing goods and services through the sharing economy, and register for GST if:

- your turnover is \$75,000 or more per year; or
- you are providing ride sourcing services, regardless of how much you earn from doing so.

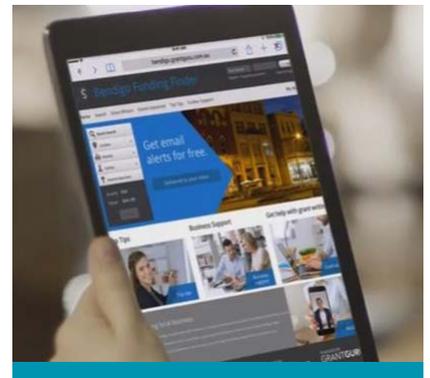
No matter how much you earn or your reasons for providing goods or services, it's a good idea to maintain records of your income and expenses so you can keep track of your activities and deal with tax obligations when they arise. Tax deductions may also be available in certain circumstances. Please contact our office for more information.

Find your fund with Bendigo GrantGuru

The City's Economic Development Unit has partnered with business grants database, GrantGuru, to create the Bendigo Funding Finder. The free, custom search tool hand picks grants and funding opportunities for small and micro businesses in the Bendigo region, simplifying what can otherwise be a complicated and difficult process.

The grant details are provided in an easy to read standard format on one page, making it easy for Bendigo businesses to search through the hundreds of grants and assess their likelihood of success.

To find out if you are eligible for grants and how likely you are to succeed, head to: www.bendigo.grantguru.com.au.



2016 AFS Seminar Series

Our final two seminars for the year are during October and November. Seminars are held here at AFS & Associates, 61 Bull St Bendigo.

Please arrive at 5:15pm for a 5:30pm start. Each session will run for approximately 60 minutes.



Financial health check Thursday 20 October

Learn how to understand key financial statements and take a proactive approach to managing your business in simple, easy to understand terms to highlight the benefits of monitoring financial performance.



Planning for success Tuesday 15 November

Presented in conjunction with Venture Financial Advisers, we discuss important strategies for all small business operators to consider in order to minimise risk and ensure business success.



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