
FINANCIAL YEAR END 2018



TAX BY ATO MEDIA RELEASE – FAKE NEWS OR NOT?

The focus of this financial year end report, as usual, will be year-end housekeeping along with what we believe are key taxation themes relevant to you.

In a far from perfect self-assessment income tax system, use of the media has a powerful impact on revenue raising. This year taxpayers and tax agents seem to have been put on notice more than ever with the view to stemming leakage in some of the many weak and muddy areas of our income tax laws. It is a lot more cost effective for the ATO to “educate” people about tax claims and tax planning than it is actually challenging claims via audits and through the courts.

Based on their own releases to the media the ATO seem to be focusing in on some substantiation related areas. Reports suggest that taxpayers are “hiding behind” substantiation exemptions and claiming more than is actually incurred or is legitimately relevant to business purposes. A prime example would be claims for 5,000 kms vehicle use for business on [cents per km](#) (the maximum under that method) with little consideration of what business kms were actually travelled or what even constitutes business travel. Other examples include automatic claims for \$300 of “unsubstantiated” [work expenses](#) exactly equal to the threshold, and other work items such as [laundry](#) of \$150 based on [s.900-40](#). It is difficult to blame people in our busy world for taking the path of least resistance. To substantiate claims according to some of the ATO guidance requires super human levels of personal organisation and spare time that productively employed people simply don’t have. Work related expenses are a big problem for Treasury and the ATO. On their own analysis the estimated tax gap or leakage for work expense overclaims and rental property expenses overclaims are in the billions and each outweigh the tax gap for corporate tax evasion.

Similar, but more directed to tax agents, is the ATO’s recent dusting off of [S100A of the 1936 Tax Act](#) – yes, we do still have two income tax acts, a 1936 Act and a 1997 Act! Section 100A is a provision that has existed since 1979 and barely rated a mention over the years. This anti-avoidance provision can operate to invalidate and tax at the top tax rate a trust distribution to a beneficiary where another person or entity benefits from the income distributed. Anything that is “ordinary family or commercial dealings” is specifically excluded. The ATO have now decided to flag a very narrow interpretation of “ordinary”. By wheeling out S100A without there being any clear guidance on what constitutes “ordinary family or commercial dealings” there is an immediate problem created for trustees. Tax revenue will be bolstered when a conservative approach is taken due to the arguably intentional uncertainty created. When promised ATO guidelines arrive we will no doubt see very prescriptive “ordinary” circumstances with nothing to support them by way of legislation or court decisions. This is how goal posts get moved.

More detail on these issues follows.

Treasury are unable to achieve any meaningful major tax reform. All they can do is flog the dead horse which is our existing system. The harder they do that the more unworkable it is.

We hope you find some value in our thoughts and reminders for the approaching financial year end and new financial year.

IN BRIEF

What's New

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| The \$20k immediate write off for small business assets (turnover <\$10m) to be extended until 30/06/19 – passage of legislation still pending. | 😊 |
| The 10% Rule no longer applies to restrict deductibility of personal super contributions from 01/07/17. | 😊 |
| Businesses with 20 or more employees (as at 01/04/18) must be on the ‘Single Touch Payroll’ system from 01/07/18. | 😞 |
| From 01/07/18 purchasers of new residential premises and new residential subdivisions are required to withhold the GST on the purchase price at settlement and pay it directly to the ATO. | 😞 |
| Reporting to the ATO of “Taxable Payments” to contractors will be extended to entities in the courier and cleaning industries from 01/07/18. Currently it applies to building and construction industries. | 😞 |
| The GST and customs duty exemption for imported low value goods <\$1,000 will end on 30/06/18. | 😞 |
| The new lower company tax rate of 27.5% is proposed to apply to companies qualifying as “base rate entities” with annual aggregated turnover up to \$25m (from 01/07/17) and up to \$50m (from 01/07/18) – passage of legislation still pending. | 😞 |
| From 01/07/17 travel expenses relating to a residential investment property are generally not deductible and cannot be included in the CGT cost base of the property. Some exceptions apply. | 😞 |
| Depreciation is generally not deductible on previously used residential property plant and equipment in properties acquired after 09/05/17. Some exceptions apply. | 😞 |
| From 01/07/18 qualifying first home buyers may apply to withdraw certain voluntary super contributions made after 30/06/17 under the new First Home Super Saver Scheme . | 😄 |
| People aged 65 or over can make additional non-concessional “downsizer” super contributions of up to \$300,000 each from the proceeds of one sale of a main residence owned for more than 10 years and sale contracted on or after 01/07/18. Conditions apply. | 😊 |
| A 12-month SGC Penalty Amnesty has been announced, operative from 24/05/18, removing the administration charge and allowing tax deductibility of catch up employee super payments. Legislation implementing this is however currently blocked. | 😞 |

Other Changes from 1 July 2019 as Announced

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|--|---|
| Reporting to the ATO of “Taxable Payments” is to be further extended to security, road freight, and computer system design and related services. | 😞 |
| Payments in cash for goods and services will be limited to under \$10,000. | 😞 |
| Director Penalty Regime to be extended to include GST, luxury car tax and wine equalisation tax, making directors further personally liable for the company’s debts. | 😞 |
| The maximum number of members in new and existing Self-Managed Superannuation Funds (SMSFs) will be increased from four to six. | 😞 |
| The audit cycle for SMSFs will change from 1 to 3 years. | 😞 |
| Single Touch Payroll is proposed to apply to all employers. | 😞 |

Here Are Some Of The Changes That Are Stuck In The Abyss (Parliament)...

| |
|--|
| New restrictions on the Small Business CGT Concessions as announced in the 2017 Budget. |
| A company will be allowed to claim a prior year loss against business profits as long as it satisfies the similar business test from 01/07/15. This test replaces the same business test, which was less flexible to pass. |
| Businesses with a tax debt greater than \$10,000 may have that debt reported to credit reporting bureaus from 01/07/18 by the ATO. |
| New legislation that restricts the lower company tax rate to “base rate entities”. |
| The SCG Penalty Amnesty announced as operating from 24/05/18 – 23/05/19. |
| The Super Guarantee Opt Out allowing high income employees with multiple employers to avoid breaching the \$25k concessional contribution cap – scheduled commencement 01/07/18. |

Comment: Don't hold your breath waiting for any tax measures to get through parliament intact. What a mess!

IMPORTANT YEAR END TAX REMINDERS

Here are our top 25 things to check off in the final days of June or think about for the year ahead.

1. Ensure SMSF Minimum Income Stream Payments Have Been Made to Members

SMSFs paying income streams/pensions to members must ensure minimum required payments have been made by 30th June in order to preserve tax exemption.

Comment: SMSF pension clients were advised of 2018 pension levels on completion of 2017 tax returns. Be careful with this. Underpayments are usually unfixable and costly in terms of extra tax.

2. SMSF Documentation Including Valuations

Self-managed superannuation funds that hold property or unlisted, irregular assets ideally should obtain external market valuations annually, or up to once every three years. For properties that would be a written appraisal from a real estate agent including analysis of comparable sales or market rents/yields. For unlisted assets, such as private company shares or trust units, that may be financial reports, meeting minutes etc. An outdated or unreliable market valuation could mean that account-based pension calculations are incorrect and land you in hot water.

3. Maximise Concessional & Non-Concessional Super Contributions & Avoid Breaching Contribution Caps

[Annual contribution caps](#) apply to both concessional and non-concessional superannuation contributions. The policy of the government has been to reduce access to the tax benefits available in super by lowering these caps. This makes it all the more important not to miss opportunities to contribute where applicable.

Taxation benefits of super are still worthwhile, even allowing for any additional [Div. 293 Tax](#) of 15% on high income earners (“income” >\$250k), and now limitation on tax free pensions accounts and total superannuation balances in future.

Seek our taxation advice about contributions as there are various requirements for eligibility and deductibility. Contributions must be received by the superannuation fund by 30th June. It is best to arrange payments early as there can be administrative delays.

2017/2018 contribution caps are as follows:

| 2018 Contribution Caps | Cap per Individual | Notes |
|--|--------------------|--|
| Concessional | \$25,000 | From 01/07/18 a higher cap can apply if you qualify to carry forward unused prior year amounts. |
| Non-Concessional | \$100,000* | From 01/07/17 your non-concessional cap or bring forward cap may be reduced if your 'total superannuation balance' is above or nearing \$1.6m. |
| Non-Concessional Maximum 3 Year Bring-Forward (Age < 65) | \$300,000* | |

TIP: The rules regarding contributions are now even more complicated. It is always best to check with us or your financial adviser.

4. Other Superannuation Issues

a) Pay Employees' Superannuation Before 30th June

Many businesses pay their compulsory employee superannuation on a monthly or quarterly cycle whereby the payment is not determined and paid until after period end. Superannuation is not deductible unless received by the fund on or before 30th June. If possible to do so within your pay system, look to making your June contribution before 30th June.

Tip: Contributions are not deductible until "received" by the fund. Use of a pay service / superannuation clearing house may significantly delay this. As an exception SGC contributions to the "Small Business Superannuation Clearing House (SBSCH)" are deemed to be received by the relevant fund once received by the SBSCH.

b) Notify Intention to Claim Personal Super Contributions

Where you are eligible and intend to claim personal superannuation contributions as a tax deduction it is important for you to formally notify the fund the extent you wish to claim a deduction. This is often overlooked and causes problems. Your fund is required to confirm they have received a valid notice from you. Please retain the notice with your tax records. Most funds have their own form but the standard ATO one is here: <https://www.ato.gov.au/Forms/Notice-of-intent-to-claim-or-vary-a-deduction-for-personal-super-contributions/>

c) Consider Topping up to Your \$25k Concessional Cap by Salary Sacrifice or Personal Deductible Contributions

The removal of the [10% Rule](#) allows much more flexibility for individuals with wage and salary type income to top up with personal concessional contributions.

d) Qualify for Government Superannuation Top Ups:

- [Super Co-Contribution](#) up to \$500 (phases out fully where 2018 "total income" > \$51,813).
- [Low Income Super Tax Offset](#) up to \$500 (phases out fully where "adjusted taxable income > \$37,000).

Tip: These concessions are mostly automatic where eligibility conditions are satisfied.

5. Determine If You Qualify as A Small Business Entity (SBE)

SBE's have continued to be a focus of Budget attention. [The SBE threshold](#) for most concessions is now \$10m turnover. To [qualify as an SBE](#):

- You or your relevant entity must carry on a business in the current year; and
- Your "Aggregated Turnover" is less than \$10m (increased from \$2m from 01/07/16):
 - For the previous financial year; or
 - For the current financial year (estimated) provided you satisfied the test in one of the two previous financial years; or
 - For the current financial year (actual)

SBE tax lurks are as follows:

| SBE CONCESSION | COMMENT |
|--|--|
| Small Business Income Tax Offset – SBITO of 8% (up to \$1,000) for individuals that are SBE sole traders or in receipt of SBE income from a partnership or trust. | Available for SBEs up to \$5m turnover. Hardly worth the complexity. |
| Trading Stock Concession – No need for stocktake if movement < \$5000 in a year based on a reasonable estimate. | Most businesses prefer to measure their stock, though for some businesses this is a relief, for example, in hospitality. Available for SBEs up to \$10m turnover |
| Depreciation – Immediate write-off of assets up to \$20,000 per asset. | See below. The 2018 Federal Budget extended the operation of this for a third year up until 30/06/19. |
| Depreciation – Asset pooling for assets > \$20,000 (ex GST): 15% write off in first year followed by 30% pa on reducing value. | This is a fairly rapid write down of assets resulting in deferral of tax. You can acquire and install on the last day of June and still claim a 15% write off. Available for SBEs up to \$10m turnover. |
| Prepaid Expenses – Up to 12 months in advance are deductible for SBEs. | Non-SBE business taxpayers can only claim very limited categories of prepayments. Available for SBEs up to \$10m turnover. |
| CGT Small Business Concessions – Div. 152 allows very generous CGT reductions to SBEs when active business assets are sold. | Qualifying as an SBE is one of the pathways into these very generous concessions. The SBE route avoids the \$6m net asset means test. The \$10m turnover threshold does not apply for access to the CGT concessions - this remains at \$2m under the SBE path. NOTE: The 2017 Federal Budget flagged changes to this concession to prevent the concessions applying to assets not related to the business triggering the concession. |
| SBE Restructure CGT Rollover Relief – Provides flexibility for SBEs to change the legal structure of their business. | Applies to “genuine restructures” from 01/07/16. Defers gains and losses on the transfer of active business assets from one entity to another. WARNING: GST and/or Stamp Duty can still apply to any transfers. It has been confirmed that the new \$10m turnover threshold does apply to this concession. This concession is only useful in very limited circumstances. |
| GST Cash Basis Accounting – A qualifying SBE may elect to use Cash Basis GST reporting. | Cash basis can assist GST cash flow for businesses that carry significant net debtors (debtors minus creditors). Available for SBEs up to \$10m turnover. |
| GST Instalments – Option to pay pre-determined fixed quarterly with a year-end annual balance up. | This concession is sometimes used for businesses that do not carry out a full GST reconciliation quarterly. Available for SBEs up to \$10m turnover. |
| Two-Year ATO Amendment Period – The ATO can only go back two years to amend unless there is fraud or evasion. | The usual period is four years. SBEs enjoy a shorter amendment period in line with most individuals. |
| SBE Start Up Costs | From 01/07/15 SBEs are entitled to certain up-front deductions (normally allowable over 5 years) when starting a small business. These deductions include professional, legal & accounting advice and certain government fees & charges. |

Comment: In most things tax there is always devil in the detail. Here it is – “Aggregated Turnover” is your annual turnover plus the annual turnover of any business you are connected with or that is your affiliate. In other words the aggregation will bring in another business which is an “**affiliate**” or “**connected**”. These terms have complicated definitions ([s.328-125](#) and [s.328-130](#)) though will mainly bring in businesses in the same family group or with the same owners. If businesses are aggregated, transactions between them are not counted in turnover.

6. Immediate Write Off of Assets Costing Up To \$20,000 (Ex GST) for Qualifying SBEs

These write offs offer a compelling tax deferral opportunity.

| SBE IMMEDIATE ASSET WRITE OFF | |
|--|--|
| Who Qualifies? | <i>SBE entities only – see above</i> |
| When from? | <i>Assets purchased and installed after 12/05/15 and before 30/06/19 (pending legislation).</i> |
| What assets can I buy? | <i>Assets used in a business including vehicles, furniture, equipment and software. Building improvements including fixtures are not included.</i> |
| At what point in time do you qualify for the deduction? | <i>The relevant time is when the asset has been acquired and is installed ready for use.</i> |
| Does it matter if there is some private use of the asset? | <i>No, but any private use must be accounted for, and the \$20k limit relates to total asset cost, not just the Business Use %. Assets such as vehicles to be provided to employees or associates under FBT rules do not require claims to be apportioned. That is covered through an annual FBT adjustment.</i> |
| Does the \$20k include GST? | <i>If registered for GST – No. If not registered for GST – Yes</i> |
| Do I have to aggregate separate assets that form a set? | <i>No</i> |
| If I spend up to \$20k upgrading a qualifying asset I already own does that qualify? | <i>Yes, if in respect of 1st upgrade and in respect of assets previously claimed under the SBE immediate write-off rules.</i> |
| If I have an existing asset pool and the value falls below \$20k can I write that off? | <i>Yes, if the value is <\$20k prior to deducting depreciation.</i> |
| If I previously elected out of SBE depreciation can that prevent a claim? | <i>No</i> |

Comment: *This concession is available to SBEs with up to \$10m turnover. The immediate write off threshold will revert back to \$1,000 effective 01/07/19 if the concession is not extended again.*

7. Bring Forward Expenditure

For some taxpayers and businesses, bringing forward expenditure prior to 30th June assists by deferring tax for a year. Possible types of expenditure to bring forward include:

- a) **Donations** – Many donations are tax deductible including certain political donations by individuals up to \$1,500 pa. You can check deductibility of various organisations here:

<http://www.abn.business.gov.au/Tools/DgrListing>

Tip: Always obtain a receipt made out to the highest income earner. In some circumstances you can elect to spread the deduction for a donation >\$5k over up to 5 years if that works better for your tax.

- b) **Small Business Expenditure on Plant & Equipment** – The SBE Immediate Asset Write Offs mentioned already are essentially a tax deferral, bringing forward depreciation claims.
- c) **Repairs** – Incur the expense for repairs prior to 30th June. It is important to consider the distinction between legitimate repairs and initial repairs or improvements to the form or function of the article being repaired.
- d) **Medical Expenses** – Note, the Medical Expenses Offset is being phased out. From 2015/16 until 2018/19, claims for this offset are restricted to net eligible expenses for disability aids, attendant care or aged care.

8. Prepaid Expenses

Prepaying up to 12 months of an expense prior to 30th June can assist by deferring tax for up to a year in the following circumstances:

- a) Any deductible expenditure <\$1,000 (ex GST).
- b) Any deductible payment required by a court or government - e.g. registrations.
- c) Any payment under a contract for service - e.g. wages.
- d) **Qualifying Small Business Entities** - SBEs have no limit on prepayment claims within the 12-month requirement. Popular claims would be rent, interest, insurance, subscriptions, registrations, service contracts, lease payments etc.
- e) **Individuals Incurring Non-Business Expenses** - This includes things like interest on rental properties and investment portfolios. **Important – prepaid interest and other expenses are not an allowable deduction for non-business entities.** For example, a rental property in a trust will not benefit from an interest prepayment.

9. Formalise Business Bad Debts

Bad debts are deductible only when formally recognised by entry in the accounting records or documented decision. Formalising bad debts prior to 30th June will bring the deduction into the current year.

10. Write Off Old Assets

Lurking in most tax depreciation schedules are assets that have been or should be physically disposed of. Be sure to notify us of any such items in order to reduce tax and tidy up your records. Note this does not apply to SBEs using the general pool provisions though those businesses can write off their pool if it drops below \$20k up until 30/06/19.

11. Conduct Year-End Stocktake & Choose Optimal Business Trading Stock Valuation Method

It is legally possible to manipulate a business's tax outcome by choosing among alternative allowable stock valuation methods. It is open to value any item of stock (including share trading stock) for tax purposes, by any of the following methods:

- a) Cost;
- b) Market Selling Value;
- c) Replacement Value;
- d) [SBEs](#) can use the previous year's stock take value in certain circumstances; or
- e) A lower value than the above for reasons including obsolescence refer [TR 93/23](#).

Comment: The ATO have a [Taxpayer Alert TA 2009/12](#) out to warn investors against "arbitrarily re-characterising" certain parcels of investment shares as trading shares so as to create income losses rather than capital losses on sale or trigger losses on unsold parcels using the trading stock valuation options. Ideally investment v trading shares should be held under different HINs under the same entity.

12. Director's Fees and Staff Bonuses

Deductibility of these entitlements can be triggered through payment, or by documenting intention to attribute the expense to the current year. Where the payee is a related party and would not be taxable until a later year, deductibility in the current year must be part of normal governance rather than by special tax arrangement. Note a Taxpayer Alert from the ATO warns against exploiting this: [TA 2011/4 - Deductibility of unpaid directors' fees](#).

13. Franked Dividend Distributions

Depending on circumstances of a company and its shareholders, the overall incidence of tax can be reduced by careful timing (and streaming if possible) of franked dividends particularly when marginal tax rates of shareholders are below the company tax rate which is currently 30% (or 27.5% for qualifying “base rate entities”).

Warning: *The maximum franking rate available on dividends is reset to the tax rate relevant to the company in the year the dividend is paid. This means that although you may have paid 30% tax on profit reserves a qualifying “base rate entity” may only be able to frank them at 27.5%.*

14. Trust Distributions

Distributions must be determined by trustees prior to 30th June. Each year we assist by sending draft minutes to clients. Added complexity due to the on-going reform of trust tax law and administrative hurdles imposed by the ATO means that special attention must be paid to these minutes. It is important to inform us about out of the ordinary income, capital gains or other transactions of your trust.

WARNING: *Failing to give proper consideration to how various components of your trust income will be distributed can result in payment of unnecessary tax which is irreversible. It is not possible to alter trust distribution minutes after June 30.*

15. Trustees Must Nominate New Beneficiaries

Where a trustee wants to distribute to a new individual or entity for a year they must now report the beneficiary’s Tax File Number (TFN) to the ATO within a strict time frame or failing that withhold tax at 49% (also within a strict time frame). This measure has no real purpose other than to trip up trustees.

Tip: *Children under 18 are exempt from these rules however as soon as they turn 18 it is a good idea to ensure they have a TFN and ensure it is reported.*

16. Remember to Initiate Tax “Paperwork”

End of financial year is an important opportunity to generate tax reports and documentation such as internet banking interest summaries, trading stock reports, stockbroker reports, annual rental property statements, annual donation summaries, and private health fund statements.

Tip: *Chancellors operate a predominately paperless office. Annual workings for all clients are 100% paperless. We encourage you to submit information in electronic form.*

17. Review Motor Vehicle Log Book Validity

Ensure that your last log book is still valid for the 2017/18 financial year. A log book is only valid for up to 5 years from when first completed. If your log book is no longer valid, you **must** commence a new log book before 30 June to enable it to be relied upon for the 2017/18 financial year. It must be kept for a continuous period of 12 weeks. If a new log book is not kept, the cents per kilometre method will be the only method available to claim your motor vehicle expenses, or if the vehicle is a fringe benefit, will mean that the statutory formula method is the only option available (see below). For more information see: <https://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Keeping-your-tax-records/#Logbookmethod>.

18. Avoid Medicare Levy Surcharge by Taking Out Private Hospital Cover

For those taxpayers without private hospital cover, with adjusted taxable incomes above \$90,000 for individuals and \$180,000 for couples or families, the [Medicare Levy Surcharge](#) will apply. This will be an additional 1% -1.5% tax, depending on your level of income. It applies in any period the individual does not have private health insurance with private patient hospital cover.

Tip: This can be a real trap if you have an abnormally high year through a capital gain for example. If you don't have cover now it may be too late to do anything about the surcharge for 2018.

19. Consider the Benefits of New Online Bookkeeping and Filing Technologies

With the start of a new financial year comes the opportunity to implement a more efficient administration and bookkeeping solution. Cloud accounting and automatic data feeds are causing a revolution for small business, investment entities and self-managed superannuation funds. If you act quickly before year end you can set up data feeds ready for the New Year. Otherwise it is easy enough to upload a few days of transactions. Storing data in the cloud is becoming very cheap and there are numerous storage options including storing source documents such as receipts, invoices, agreements etc. within Xero itself either in folders or attached to the relevant transaction. Document scanning apps available on smartphones allow you to upload or email documents to your chosen filing solution.

Tip: The market is rapidly changing. We are strong supporters of [Xero](#) for compatible business and investment entities, and individuals, as Xero currently offers the best end to end solution from bank feed right through to tax return. Intuit QuickBooks has improved its product and is hungry for market share. For non-superannuation investment entities Class Portfolio is a very powerful product, however ShareSight, although less flexible, has a far better user interface.

20. Review Capital Gains & Losses and Consider Timing

If there has been a disposal of an asset (including the takeover of a listed company investment) during the year, steps may now be possible to dramatically reduce the tax impact with techniques such as making deductible superannuation contributions (where eligible), realising other capital losses, or taking advantage of roll-overs. Generally capital gains are triggered on signing or entering a contract. For contracts close to year end, the advantage of deferring the gain for a year and allowing more time to deal with the tax consequences is often compelling enough to delay signing.

Comment: If your family trust makes a significant capital gain it is very important that it gets considered in drafting the year end distribution resolution - prior to 30th June.

21. Beware of Requirement to have a "Clearance Certificate" when Selling any Property

Since 1 July 2016, it has been necessary to prove to someone purchasing "taxable Australian property" (principally real property situated in Australia) from you, with a market value of \$750k or above, that you are an Australian tax resident. Failing that, a withholding tax of 12.5% is required to be deducted from your sale proceeds and paid to the ATO and claimed back as part of your tax return. Australian resident vendors need to apply to the ATO for and provide the purchaser with a "Clearance Certificate" otherwise the purchaser is required to withhold and remit the relevant amount at settlement. This is because they have no other way of knowing your tax residency status. For more information see: <https://www.ato.gov.au/General/Capital-gains-tax/In-detail/Calculating-a-capital-gain-or-loss/Capital-gains-withholding--Impacts-on-foreign-and-Australian-residents/>

22. Obtain Tax Depreciation Reports for Newly Acquired Rental Properties

Properties constructed on or after 18/07/1985 qualify for depreciation allowances based on construction costs. Because of the difficulty in obtaining this information there is a whole industry within the quantity surveying profession dedicated to production of depreciation reports based on estimated costs. These are apparently acceptable to the ATO, and cost around \$800 for houses and units, which is miniscule compared to the tax benefits normally generated. Note that the 2017 Federal Budget imposed limitations on depreciation of plant and equipment existing at the time of purchase. Investors purchasing residential rental properties after 09/05/17 cannot claim depreciation on plant & equipment such as ceiling fans and dishwashers etc. unless bought new. This makes the reports less valuable though the changes do not impact claims for construction costs.

Tip: If you are interested BMT have some useful on-line and mobile device calculators to help you estimate available claims: <http://www.bmtqs.com.au/tax-depreciation-calculator>

23. Consider Audit Risks / Taking Out Tax Audit Insurance

Responding to ATO audit activity and questionnaires is costly in terms of professional time regardless of the outcome. In order to assist clients in reducing the uncertainty of unexpected fees we offer audit insurance cover through [Audit Shield](#) of up to \$10,000 (or \$20,000 for business between \$1m and \$10m) at relatively low cost. As the policies run annually to 31st July we have or will shortly be sending out renewals/information to those clients we feel could benefit from the service. If you do not receive information from us by mid-July and would like to obtain further information, please contact us. For details of areas likely to trigger ATO attention see: <https://www.ato.gov.au/general/building-confidence/how-we-assure-the-tax-and-super-systems/what-attracts-our-attention/>

24. Consider Compulsory HELP Debt Repayment Obligations

The 2017/18 HELP debt repayment income thresholds and rates are as follows:

| Repayment Income (RI*) | Repayment Rate |
|------------------------|----------------|
| Below \$55,874 | Nil |
| \$55,874 – \$62,238 | 4.0% |
| \$62,239 – \$68,602 | 4.5% |
| \$68,603 – \$72,207 | 5.0% |
| \$72,208 – \$77,618 | 5.5% |
| \$77,619 – \$84,062 | 6.0% |
| \$84,063 – \$88,486 | 6.5% |
| \$88,487 – \$97,377 | 7.0% |
| \$97,378 – \$103,765 | 7.5% |
| \$103,766 and above | 8.0% |

Repayments are automatically included in your annual tax assessment in any year where your “[Repayment Income](#)” reaches the minimum threshold for compulsory repayment.

***Comment:** From 1 July 2018 the minimum RI threshold will reduce to \$45,000 with a lower 1% repayment rate. This will result in more taxpayers having to make compulsory repayments in their 2018/19 tax return.*

25. People with HELP & TSL Debts Working Overseas May Have to Pay Up

Overseas income, whether or not taxable in Australia, is counted in determining whether a compulsory Higher Education Loan Programme (HELP) or Trade Support Loan (TSL) debt repayment is required by Australians living overseas. From 01/01/16 HELP and TSL debtors who intend to move overseas for 183 days or more in any 12-month period are required to update their contact details using the ATO’s online services via myGov, within seven days of leaving Australia. Self-assessment of a repayment obligation is due by 31st October each year, again through myGov. An online calculator to convert foreign-sourced income into Australian dollars will be provided as part of the assessment form. Therefore, for 2017/18, overseas debtors will be required to submit details of their world-wide income to the ATO by 31/10/18. For more information see:

<https://www.ato.gov.au/Individuals/Study-and-training-support-loans/Overseas-repayments/>

Please contact us to discuss or clarify any of these points. During our contact with you and in attending to annual compliance work we will normally come across issues such as these and provide valuable feedback in our issues report prepared when finalising that work.

TAX HOT SPOTS

Following is some coverage of areas that appear to be under the ATO microscope at the moment:

| HOTSPOT | COMMENT |
|--|---|
| <p>Tax Related Costs: The 2018 I Tax Return has increased the detail required at Item D10 relating to claims for costs of managing tax affairs. In addition the ATO have released TD 2017/8 to reinforce their views on how the cost of travel to visit a tax agent needs to be apportioned depending on the purposes of the trip.</p> | <p><i>It's clear that Treasury has issue with the overall amount people are claiming as cost to manage their tax affairs. This is reflected in Labor's stated policy intention to cap the claim at \$3,000 if they get in. Not realistic for their small business voter (if any) given the complexity of tax and the cost to taxpayers of self-assessment.</i></p> |
| <p>Claims for work-related clothing, dry cleaning and laundry expenses: For instance, the ATO has flagged that it will be checking taxpayers who take advantage of the exemption from keeping detailed substantiation for people who spend less than \$150 on laundry expenses.</p> | <p><i>How much does it cost the ATO to audit a \$150 claim? This is where publicity kicks in. Apparently 6 million people are claiming these expenses. It's hard to imagine that many people wear uniforms!</i></p> |
| <p>Work-Related Expense Claims: Incorrectly claiming deductions under the rule that allows taxpayers who have incurred work-related expenses of \$300 or less in total to make a claim without substantiation (the ATO believes that some taxpayers are claiming this – or an amount just less than \$300 – without actually incurring the expenses at all.</p> | <p><i>Treasury should be done with it and abolish or standardise work expense claims.</i></p> |
| <p>Home Office Claims – Phone, Mobile & Internet: The ATO are seeking to enforce their apportionment guidelines: https://www.ato.gov.au/individuals/income-and-deductions/deductions-you-can-claim/other-deductions/claiming-mobile-phone,-internet-and-home-phone-expenses/</p> | <p><i>Here in the real world no person has time to record the detail demanded by the ATO. It's obvious they wish deductions like this would go away. If you are prepared to fight, a reasonable analysis of the details on a representative bill would perhaps be accepted by a court or tribunal with the ATO very reluctant to test given the verdict is public. It is worth noting that if you operate a business entity it is possible to package under FBT rules costs of this nature that are primarily for business use.</i></p> |
| <p>Motor Vehicle Expense Claims: Where taxpayers take advantage of the \$0.66 per km flat rate available for journeys up to 5,000kms. The ATO is concerned that too many taxpayers are automatically claiming the 5,000km limit regardless of the actual amount of business travel.</p> | <p><i>See our vehicle deduction tips elsewhere in this report.</i></p> |
| <p>Lump Sum Payments to Medical Practitioners to Join Medical Clinics: Although often documented as capital payments for restraint of trade or goodwill the ATO are apparently pursuing these payments as ordinary income being an inducement or advance payment for services.</p> | <p><i>This is in the 'nasty no no' section of the ATO website. The ATO probably needs to run a test case on this. I don't think it is as clear as they make out. For detail of the ATO view: https://www.ato.gov.au/General/Tax-planning/In-detail/Lump-sum-payments-received-by-healthcare-practitioners/</i></p> |

| HOTSPOT | COMMENT |
|---|--|
| <p>Rental Properties:</p> <ul style="list-style-type: none"> 🔥 Claiming deductions during a period that a property is not genuinely available for rent, particularly in relation to holiday homes (deductions should be limited to the amount of income earned, or to the number of days actually rented out at a commercial rate) 🔥 Claiming full deductions for a property that is available for rent for only part of the year. 🔥 Husbands and wives inappropriately splitting rental income and deductions for jointly owned properties; 🔥 Interest deductions being claimed for the private proportion of loans; 🔥 Claiming deductions for a rental property before it is actually rented or available for rent. 🔥 Claiming initial repair or renovation costs as repair and maintenance costs rather than correctly attributing these to the cost base of the property under the CGT rules. 🔥 Incorrectly claiming deductions for legal expenses associated with buying and selling a property, resisting land resumption and defending title to a property. 🔥 Where part of a main residence is rented out to paying guests (for instance, through Airbnb) and the full CGT main residence exemption is incorrectly applied on the sale of the dwelling (the law prevents a full CGT exemption where part of a main residence has been used to earn assessable income). | <p><i>Round up the usual suspects. This list seems to come out each year.</i></p> |
| <p>Cryptocurrencies: Taxpayers who invest or trade in cryptocurrencies like Bitcoin. Increasing numbers of taxpayers are engaged in this activity and the ATO believes that some of them are failing to declare the profits (and in some cases the losses) they are making on their investments.</p> | <p>Refer: https://www.ato.gov.au/General/Gen/Tax-treatment-of-crypto-currencies-in-Australia---specifically-bitcoin/</p> |
| <p>Sharing Economy: The ATO continues to issue guidance to those operating in the sharing economy about what they need to do to comply with their income tax and GST obligations, driven in part by the high levels of non-compliance amongst those driving for Uber or renting rooms through Airbnb.</p> | <p>Refer: https://www.ato.gov.au/General/The-sharing-economy-and-tax/</p> |

For the ATO's own web page on "What Attracts Out Attention" see: <https://www.ato.gov.au/General/Building-confidence/How-we-assure-the-tax-and-super-systems/What-attracts-our-attention/>

TWO COMPANY TAX RATES BETTER THAN ONE – MAYBE NOT!

It used to be easy to figure out what tax rate your company is subject to. Simple, all companies were subject to the same rate of 30%. We now have a two-tier tax rate system for companies. Each company has a tax rate of 27.5% or 30% depending on turnover and type of activities. Importantly, the tax rate also dictates the rate at which dividends can be franked, even on profits where tax was paid at the higher rate.

For 2016 and 2017 years the test of activities was based on whether the company was a [small business entity](#). Part of that requires there to exist a 'business'. There is no real definition of exactly what a business is, just some fluffy guidelines based on old cases. The ATO stepped in with [Draft Ruling TR 2017/D7](#) which correctly points out that due to the nature of a company the threshold of what is a business is substantially less than say for an individual conducting the same activities. Much to the horror of Treasury that included companies conducting normally passive investing and property ownership. Oops!




The face-saving fix was for Treasury to introduce new legislation (still not passed) that imposes a series of complicated tests to determine if a company qualifies as a "Base Rate Entity". The amendments replace the carrying on a business test with a passive income test. Under the passive income test, companies that are generating predominantly "passive income" will not be eligible for the lower corporate tax rate. The test requires analysis of each source of income and tracing through interposed entities.

Given that most if not all small businesses companies do not retain profits and tend to make capital investments in other entities for asset protection purposes, the whole exercise of reducing the tax rate (and franking rate) is of questionable benefit. In other words, most small business companies operate as flow through entities meaning the lower tax rate is of limited, if any benefit.

A very sensible submission made by Chancellors when the draft law was open for comment was that it should be optional for any company to simply elect for the higher 30% tax and franking rate and dispense with all the additional cost an effort. That was flatly rejected. What were we thinking to simplify something or question the generosity of the fabulous tax cuts?

SGC PENALTY AMNESTY – A POLITICAL FOOTBALL FOR NOW

It's no secret that engaging the services of individuals is a minefield. The labour hire industry owes its existence to that. One area to easily stuff up on is payment of compulsory [Super Guarantee \(SG\) superannuation](#). As soon as you fail to pay 9.5% super on behalf of a person [eligible](#) on their "[ordinary time earnings](#)" by the 28th day after the end of a quarter you are in Superannuation Guarantee Charge (SGC) territory. That is a world of pain. Technically you can't fix the problem by making a late payment into the person's super fund. If you do it's not counted as satisfying the SG obligation unless paid within 30 days of the 28 days. You are required to lodge with the ATO an SGC Statement together with payment of each individuals "SG Shortfall" plus interest on the shortfall at 10% p.a. plus a \$20 admin charge per employee per quarter plus further interest and penalties if your SGC Statement is lodged later than a month and 28 days after the end of the relevant quarter. To top all that off none of the payment to the ATO is tax deductible. It is entirely understandable when businesses put all that in their 'too hard basket'. They do so at their absolute peril however. If you pay an individual money for doing something you are playing with fire if you don't make sure about your SG obligations. High risk areas include:

-  [Contracts for labour](#) – Just because an individual provides an ABN does not mean that there is no SG obligation. If the ABN is for a company, partnership or trust you are generally safe.
-  Directors wages and bonuses – Often businesses neglect to consider SG obligations arising on payments to their directors or proprietors.
-  Domestic workers - If you engage someone to do work of a domestic or private nature for 30 hours or more per week and pay them \$450 or more (before tax) in a calendar month, you have to pay SG for them.

🔴 Salary Sacrifice – Employers need to take care as to whether super contributions over and above SG requirements are counted as Ordinary Time Earnings which might create a shortfall. [Legislation is proposed](#) to prevent employers calculating SG on the post salary sacrifice OTE base. In any event it is very important to document carefully any arrangement with an employee that involves superannuation above minimum required SG. If it is too hard, note that employees can now make deductible contributions themselves without worrying about the now abolished 10% rule.

Given the ease of getting into SG strife and the pain involved in fixing it, the SGC Amnesty proposal is a good one. Interestingly, a few years back the ATO published on their site an administrative relaxation of the SGC along the lines that if you have a previous good record with SG you can go ahead and fix a lapse or error by just paying the late super direct to the fund and the ATO won't worry about it. That was fairly quickly taken down.

The current Amnesty allows you to lodge your SGC Statement without the administrative penalty and without loss of tax deductibility.

Warning: *Labor has opposed legislation to implement the amnesty despite approval by the Senate Economics Legislation Committee.*

BEWARE - TAX STING FOR NON-RESIDENTS AND EXPATS

Recent Federal and State Budgets have been particularly unkind to foreign nationals and non-residents owning property here. From 09/05/17, foreign tax residents cannot access the CGT main residence exemption. Foreign tax residents who owned the relevant property on 09/05/17 can continue to claim the exemption where the dwelling is disposed of on or before 30/06/19. Importantly, the legislation applies to foreign tax residents. Accordingly, and unbeknown to some, the new rules apply to Australian citizens or Australian permanent residents who dispose of their Australian home whilst they are a foreign tax resident. In some circumstances it is possible to be deemed a non-tax resident of Australia if you live offshore for two years or even less.

Many people actively seek to qualify as a tax non-resident to simplify their tax or fully enjoy the benefit of a lower tax jurisdiction. The determining factor for CGT exemption is the residency status of the taxpayer at the time of the CGT event (i.e. when the contract for sale is signed). There is no partial exemption. For Australian citizens and permanent residents who may be a foreign resident for a period of time the CGT main residence exemption should still be available if they come back to Australia and dispose of their main residence after re-establishing Australian tax residency.

Warning: *If you are a foreign resident or non-resident for tax purposes and own property in Australia it is important to understand tax implications at a State and Federal level.*

ARE WE HEADED FOR A VEHICLE EXPENSES SHOWDOWN?

Taxpayers tend to hold their vehicle and travel deduction entitlements very dearly. The ATO have definitely ramped up their coverage of issues relating to vehicle claims. This could be the prelude to heavier scrutiny.

Passenger Vehicles Not Qualifying as Employee Fringe Benefits

Methods of claiming passenger vehicles for individuals and individuals as partners in partnerships in recent years has narrowed from four methods to two with the abolition of the 12% of cost and 1/3 of running costs substantiation concessions. Claims for these taxpayers are limited now to either the [Log Book Method](#) or the [Cents Per Kilometre](#) method. The log book method is a very administratively intense and technically complicated set of requirements. The reality is that the ATO could deny most claims made under these methods on non-compliance or technicalities. That is perilous for taxpayers given the overall cost of owning and operating a car and hence the high amount of possible tax adjustment and penalties. Many taxpayers capitulate and default to a lower deduction under the cents per kilometre method which is limited to maximum 5,000 kms per year at \$0.66 per km or \$3,300.

The ATO have flagged a dummy spit on people claiming on a kilometre basis without proper consideration of what constitutes “business travel” or having at least a rough calculation of how the business kms have been arrived at.

Passenger Vehicles Qualifying as Employee Fringe Benefits

Companies, trusts and other entities (excluding individuals) have slightly different rules. Cars are mostly used by individuals in their capacity as directors, employees or related parties, all of which fall within a very widely drawn definition of what is a “Fringe Benefit”. Vehicles provided as car fringe benefits are subject to tax at the top marginal tax rate (47% in FY2018) on private use, which is calculated based on the Operating Cost (Log Book) Method or the Statutory Formula Method. The “taxable value” or private component calculated is usually reimbursed to the business instead of paying the tax. The Operating Cost Method follows fairly closely the Log Book method as applicable to personal claims. The Statutory Formula Method estimates private use by applying a fixed percentage (20%) to the value of the car. The rate is the same regardless of the amount of private use actually undertaken. The cheaper the car and the higher the private use the more concessional the tax outcome under this method. Again, application of these methods is complex and documentation requirements specific including things like annual odometer readings, log books where relevant, and employee declarations where relevant. The onus is on the employer to ensure the records exist and it is the employer that is taxed if they fall short.

Exemptions Exist for Commercial Type Vehicles But There Are Important Limitations

Vehicles designed to carry a load of 1 tonne or more do not need to follow the Log Book Method or the Cents Per Kilometre Method. Any private use of these vehicles must be apportioned out of the claim on a reasonable basis. Other commercial style vehicles including utility trucks, panel vans less than 1 tonne or other vehicles under 1 tonne but not designed to predominantly carry passengers, are also exempt and can have travel between home and work treated as business travel. Importantly, to qualify for this exempt status a <1 tonne vehicle must only have other private use that is “*minor, infrequent and irregular*”. A dual cab ute with under 1 tonne carrying capacity is generally regarded as designed to predominantly carry passengers and must be treated like a normal car.

Under the FBT rules any vehicle 1 tonne and over or a commercial style vehicle under 1 tonne will be exempt from triggering any fringe benefits if the other private use is “*minor, infrequent and irregular*”.

Here is the problem. When these rules were written, utes were “work utes” and private use was very likely “minor, infrequent and irregular” for practical and comfort reasons. Nowadays utes, especially high end 4WD dual cab utes, are designed to include comfort and recreational capabilities. The term “*minor, infrequent and irregular*” is troublesome for the ATO because there is no definition in the legislation. What they are trying to do now is apply prescriptive guidelines to what is a loose, subjective concept. [PCG 2017/D14](#) is what is called a draft Practical Compliance Guideline. It sets out what the ATO believes is meant by “minor, infrequent and irregular”. Some of the guidelines include that:

- 🔴 the vehicle must have no non-business accessories,
- 🔴 the vehicle is below the Luxury Car Tax Threshold which was \$64,132 for 2017,
- 🔴 the vehicle is not salary packaged,
- 🔴 home to work travel includes no diversion > 2km,
- 🔴 total private use across all journeys does not exceed 750km in a year, and
- 🔴 no single wholly private journey exceeds 200 km.

You can see where this is heading.

Tips: Here are our tips to follow to have a fighting chance should the ATO come knocking:

- ✓ Seek advice as to the appropriate entity to own family vehicles. Tax and GST outcomes can differ.
- ✓ Acquaint yourself with method applicable to your vehicle claims.
- ✓ Keep track of expenses separately for each passenger vehicle. Avoid paying running costs out of pocket.

- ✓ Have a clear understanding of what is regarded as business travel relating to your own circumstances. In most cases travel between home and places of work in a passenger vehicle is private. The latest guidelines are in draft [ATO Ruling TR 2017/D6](#).
- ✓ If you are using the c/km method prepare a rough written estimate of your annualised business kms.
- ✓ If you are relying on a log book method, ensure your logbook is current (less than 5 years old) and correctly completed.
- ✓ If you have a ute, van or other commercial style vehicle be aware that substantiation exemptions and deductibility of home to work travel hinge on the concept of “minor, infrequent and irregular”. Whether or not the ATO guidelines stick, you need to be able to demonstrate minimal other private use.

TRUST REIMBURSEMENT ARRANGEMENTS – ATO FLAGGING A TOUGHER STANCE

Over the years Treasury and the ATO have progressively clamped down on tax aspects affecting the 820,000 or so trusts in existence, arguably to discourage their use. S100A of the ITAA 1936 may apply to disregard certain distributions of trust income to the extent someone other than the ‘presently entitled’ beneficiary benefits from that income. This provision has existed since 1979 and excludes situations that are “ordinary family or commercial dealings”.

In a worrying trend, the ATO has signalled pursuing more commonplace arrangements under this provision. That includes the situation where the trustee provides an “at call” loan to a beneficiary using the funds retained in respect of a UPE owing to another beneficiary. An example of this may be where an adult child receives a trust distribution however the funds are not paid out to the adult child but are rather loaned to the parents “at call” from the trust.

If a trust distribution made to a particular beneficiary is taken never to have been made because of S100A, the trustee is generally assessed on that share of the trust’s net income at the top marginal rate with the potential of penalties applying on top of that.

We understand the ATO intend to prepare a ruling to clarify their new position. It is possible the new position could require formalisation of “at call” loans or even stricter requirements along the lines of Division 7A.

Tips: Pending some more clarity from the ATO we suggest the following:

- ✓ Take care to understand the workings of your trust and the provisions of the trust deed.
- ✓ Especially, in the case of distributions to adult children, either pay expenses relevant to maintenance and upkeep of the beneficiary from the trust or regularly reimburse yourself those expenses so they can be debited against the balance of distributions owing to that beneficiary.
- ✓ Document expenditure by the trust or reimbursements of expenditure relevant to a beneficiary carefully.
- ✓ Consider having the beneficiary sign off on the expenditure.
- ✓ Avoid gifting or forgiving past unpaid distributions to any beneficiary.
- ✓ Consider carefully distributions to adult children and recognise that there are risks involved in cases where funds do not physically flow to the adult children.
- ✓ Make the necessary adjustments to your trust resolution if you wish to restrict or exclude adult children.

SIX OF THE BEST TAX SHELTERS

In this day and age there is no such thing really as tax planning for tax planning sake except for some deliberate concessions such as superannuation. Anti-avoidance provisions are drawn so wide that anything done with a significant tax purpose is at risk. The six of the best structures below are more to do with structuring your family and business affairs in a smart way that can attract incidental tax benefits that occur mainly due to inequities and inefficiencies in the tax system which are hardly the fault of taxpayers.

1. Superannuation

Superannuation as an investment structure takes a lot of beating in terms of tax efficiency. The policy intention of both major parties is to limit the benefits available or limit the amount you can shelter in a superannuation environment. This has been pulled back dramatically in recent years.

2. Division 152 Small Business CGT Concessions

Capital Gains Tax on active business assets such as business real estate and goodwill can be eliminated or substantially reduced with these concessions. In addition, they can lead to an additional lifetime non-concessional superannuation cap of up to \$1.445m (2017/2018) per person. For all but the most straightforward cases the rules are complex and there are many hoops to jump through.

3. Testamentary Trusts

High net worth individuals and families all need to consider incorporating testamentary discretionary trusts (TDTs) into their wills. Not only can they assist in protecting family wealth and maintain it within bloodlines, but also the tax impact of assets bequeathed can be spread around and penalty tax rates do not apply to minors in receipt of TDT income.

4. Discretionary Trusts

Discretionary trusts are the legal structure hated by the ATO and anyone that is not involved with one. Over recent years authorities have overreached in terms of compliance requirements for trusts and watered down their asset protection qualities by attempting to look through them. There have been promises to review the outdated tax law that applies to them but that process always ends up on the back burner. There is an increased compliance burden for trusts these days however in the right circumstances they are a very flexible and tax effective structure.

5. Bucket Companies

The term "bucket company" is accounting slang for a company that receives distributions of trust income and is accordingly taxed on these distributions at the rate of 30%. Use of companies in this way is institutionalised within the tax/accounting world and readily acknowledged by the ATO. The tax effect of distributing to a bucket company is a deferral of tax that might otherwise be borne at a higher rate in individuals hands. The days of bucket companies never seeing a cent of the distributions allocated to them are over courtesy of Division 7A. In reality the money has to find its way into the company otherwise it becomes unmanageable, however in many circumstances this creates a very useful family "bank", investment or succession structure, which unlike a trust is not limited to 80 years of life.

6. Partnerships of Discretionary Trusts

Despite the ATO concerns noted above, in the right situation such as some businesses, professional practices, and property ventures there is a lot to be said for this structure. It tends to provide the ultimate flexibility, access to Small Business CGT Concessions where available, help minimise Payroll Tax and can spread the base of land for Land Tax. The downside is that entry and exit of participants lacks the convenience and simplicity offered by a company structure.

CHANCELLORS UPDATE

Vale Peter Chancellor

Peter Chancellor, second generation custodian of Chancellors Chartered Accountants, died peacefully on February 11 this year from heart failure. Peter was born in Brisbane in 1936 and entered the accounting profession in 1953 immediately upon completing senior at Churchie. Peter commenced as a trainee in tax and audit at F M Hart & Co Chartered Accountants where he completed his degree part-time. He joined his father Willis, founder of Chancellors, in the practice in 1956 and completed his "Chartered" qualifications soon after, at the astoundingly young age of 21. He later went on to a Masterate of Financial Management and Fellowship of the Institute of Chartered Accountants, serving for 50 years. Peter was well known for the passion (shared with Willis) for fishing and oystering along with extended business lunches and a keen eye for the long-departed entertainment expense tax deduction. He was the consummate professional and gentleman. Peter will be sadly missed by clients, friends and his family alike.



Our Aussie Rower

Another very significant event for the Chancellor family this year has been the selection of Laura to row for Australia at the Junior World Championships in the Czech Republic this August. Laura has enjoyed success in many sporting pursuits however her passion for rowing has dominated ever since first jumping into a boat as a Grade 8 St Margaret's student. Laura is currently State U19 and U21 Champion and runner up Australian Champion in U19 Single Sculls and a member Australian Champion U19 Double Scull crew. Now as a Year 12 Somerville House student she is working extremely hard to balance school and training which includes stints in Sydney where her partner in the double event, Nikki, lives. Congratulations Laura and Go for Gold!



Laura & Nikki raising funds for the trip at Suncorp Stadium.

GoFundMe at: <https://au.gofundme.com/2018-australian-womens-junior-2x>



Laura in training at Wyaralong Dam

Rocking Out for Charity

Long-time guitar tragic and self-confessed music hack, Nick along with his band Roger The Cabin Boy (obscurely named after Captain Pugwash themes) are in preparation for Jurassic Jam. This is a charity event involving other semi-professional bands from the Brisbane corporate world. Jurassic Jam is into its fourth year now with an array of bands to grace the stage of the Triffid on September 1 with the predominant genre being covers you know and love but may not have heard for a while. Here is a promotional video if you are unfamiliar with the event.

<https://1drv.ms/u/s!AmwVzfsQOA9Po0y2D16fzIR9ORZV>.

Tickets Available here: <https://tickets.oztix.com.au/?Event=86784>



Disclaimers

Financial Product Advice

Nothing in this advice is intended as 'financial product advice' as defined by the Corporations Act (as amended by the Financial Services Reform Act 2001). We are not licensed to provide 'financial product advice' which includes recommendations regarding contribution to or withdrawal from, or specific investments within a particular superannuation fund (including a Self-Managed Superannuation Fund). You should consider if it is in your interests seeking advice from an Australian Financial Services Licensee before making decisions in relation to a financial product.

Currency of Income Tax Advice

Any taxation advice included in this correspondence is current to the date of writing. Taxation laws in Australia are complex and constantly changing. The government often changes rules effective from the date announced and in some cases retrospectively. If there is any delay in the use of this advice you should consider having it refreshed.

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Before relying on the information on this newsletter, users should carefully evaluate its accuracy, currency, completeness and relevance for their purposes, and should obtain professional advice relevant to their particular circumstances. We and associated parties cannot guarantee nor assume any legal liability or responsibility for the accuracy, currency or completeness of the information or material.

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