



Welcome to the inaugural Eagle 1 Group quarterly newsletter. The year is disappearing fast and it is tax time yet again.

## **TAX NEWS**

### **2011 AUDIT HIT LIST**

The industries on the Australian Taxation Office hit list this financial year include the following:

- Earthmoving Plant Operators.
- Flight Attendants.
- Carpenters and Joiners, including apprentices and trainees.
- Real Estate Employees

Of course, that's not to say the ATO will ignore all other occupations – it won't! Please contact our office with any concerns regarding your tax deductions and what records are required for your tax this financial year.

### **FLOOD LEVY**

The new flood levy commenced on the 1<sup>st</sup> July 2011. Individuals not affected by the floods and earning over \$50,000 a year will now be subject to an additional 1% tax on their taxable income.

### **MINIMUM WAGE**

As per Fair Work Australia's ruling last month, the minimum wage has increased by \$19.40 to \$589.30 per week. The change is now in force and businesses must update their payments to individuals affected by this increase.



## **BUSINESS BENCHMARKS**

The Tax Office says it has identified 46,000 businesses potentially under-reporting their cash incomes – many of them associated with registered agents. The benchmarks, designed to help businesses compare their performance versus the rest of the industry, are expected to expand from 107 industries to 137 in the next 12 months. Businesses outside industry benchmarks may need to review their record-keeping and business management practices. The ATO will take into account the individual circumstances of each business reviewed, based on records maintained by that business. Where a business does not have records to show its income and expenses, the ATO can use the benchmarks and other information available to assess the profits of the business. Default assessments may include an additional penalty of up to 75% of the tax liability. This year Eagle 1 will provide a business benchmark included in the end of financial year statement to help client compare their results against the industry averages as collated by the ATO.

## **TAX TIPS**

### **Individual taxpayers and investors**

Some of the tax saving expenses that taxpayers and investors should consider includes:

- Claiming all work-related deductions (for example, uniform, telephone costs, subscriptions, home office expenses).
- Claiming all your rental property deductions (for example, advertising, body corporate fees, repairs, loan interest). Depreciation and Capital Works deductions are a must, however a QS report will need to be acquired from an expert to quantify what deduction is available for your property.
- Maximizing motor vehicle deductions. The proportion of work-related travel for which your vehicle is used will determine the percentage of vehicle running expenses you may be able to claim.
- An education tax offset is available for eligible families (those who have claimed Family Tax Benefit A) for 50 per cent of the cost of items (subject to a limit) such as educational software, home computers and associated costs, home internet connections, laptop computers, printers, school texts, stationery and trade tools used in school.

### **April - June 2011 Quarterly BAS**

A reminder that the June fourth Quarter business activity statement period has now ended. A reminder that the BAS will be due on the 28<sup>th</sup> July 2011.....so start getting your paperwork ready.



## **BUSINESS BROKERAGE**

Eagle 1 has its very own business sales division, which is fully accredited and a member of the REIQ.

The current climate for selling a business is not great. Banks are loath to lend against business assets and potential buyers wishing to use real property as security have found property not valuing as expected.

Whilst there are numerous methods in which to value a business it would appear that the goodwill component of a business may be as little as 1 year's profit – not good news for those relying on selling their business as being their ticket to retirement.

It is not all doom and gloom – there are buyers out there but they are pretty savvy and looking for realistically priced business's that will pass due diligence.

### **Where Is Your Business Heading**

Given that the past financial year has seen a difficult business climate for many, we encourage clients to contact us to discuss any refinancing needs, budgeting, pricing structures or cash flow forecasting to arm your business with the necessary for planning tools to help make the 2012 financial year a more improved year.

## **TY LAIRD**

**Private Client Adviser, Associate Manage, Macquarie Group Limited**

## **MACQUARIE PRIVATE WEALTH**

### **Market SnapShot**

Equity market capital returns continue to be volatile. With the domestic demand outlook remaining subdued and cost pressures for many intensifying, the delivery of earnings and dividend yield are increasingly key to underpinning share price (total) returns.

In this environment, the risk of classic "value traps" is high. Stocks that can deliver earnings as promised, even if their Price to Earnings Ratio (PER) is high, are still in our view likely to outperform. High yielding stocks can also deliver meaningfully to a portfolio as long as that yield is supported by cashflow. You may expect a portfolio without these characteristics to underperform the broader market.

For further information on how the above may impact your portfolio or if you would like to discuss your financial needs please contact our office and we will put you in touch with Ty Laird from Macquarie Private Wealth.



At Eagle 1 Group we could think of no greater compliment than receiving referrals from existing clients. Given that tax is a topical conversation at this time of year if you feel that Eagle 1 could be of service to any colleagues, family or friends we would love nothing more than for you to pass on our details. You can be assured that they will receive the same outstanding service that you currently enjoy.

Please feel free to forward this newsletter on to any friends or family.

**Stay tuned for our new Eagle 1 Group website coming soon!**

To unsubscribe please contact;

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