

# Hales Douglas Herald

## A lesson for investors: how the experts 'got it wrong'.

Extracted from an article by Jim Parker Regional Director, DFA Australia Limited

Just a few weeks back, newspapers were full of articles about the supposed inevitability of the Australian dollar reaching parity with the US dollar within the coming months, or even weeks.

A weak greenback, strong commodity prices and a healthy interest rate differential all pointed to the little Aussie battler going one for one with its US counterpart. Economists were predicting this as recently as July.

One expert from a major bank was quoted as saying the \$A would be at parity with the greenback by the end of September. Another described its run above 98 US cents as "unstoppable". A third said it was on its way to beyond parity.

But by early August, parity appeared to have been postponed. A reversal in commodity prices and the US dollar, coupled with a sharp turnaround in interest rate expectations, sent the \$A on its longest losing run since the early 1990s. From 98.49 US cents in July, the \$A had slid all the way to 86.5 cents by 28th August - a 12 per cent correction inside a month.

### Economists & media aren't always right

Asked what had gone wrong, economists cited strong signals from the RBA and "in-the-know" media that official cash rates might be cut from 7.25 percent, as soon as September.

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## IMPORTANT DATES

B.A.S #2 due 11th  
November 2008

Superannuation  
Guarantee due 28th  
October 2008

## Who/What is the tax office targeting in 08/09?

### Individuals:

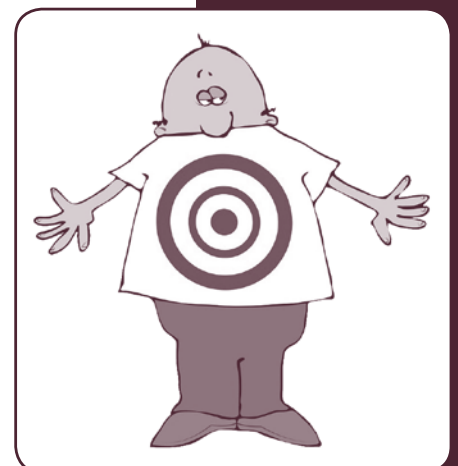
- Capital gains from the sale of property, shares and other assets
- Work related expense claims, particularly out of pattern claims for self education, car and travel expenses
- Undisclosed rental income and incorrectly-claimed rental property expenses and
- Superannuation contributions that exceed contribution limits

### Micro Businesses:

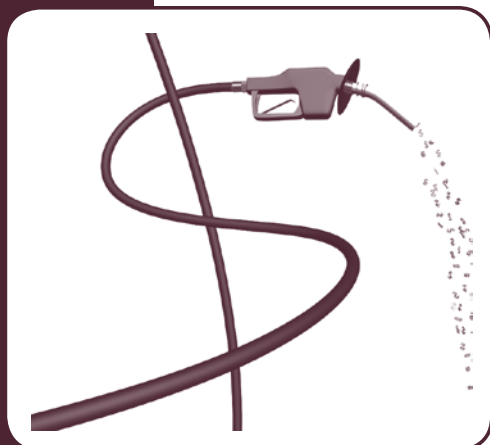
- Cash economy activities
- Capital gains on sales of assets and investments
- Distributions from partnerships and trusts
- Superannuation guarantee obligations of employers and
- Management of self managed superannuation funds

### Small to medium enterprises:

- Unreported property sales
- Use of tax havens
- Phoenix arrangements under which tax is attempted to be evaded by the deliberate, systematic and sometimes cyclical liquidation of entities
- FBT treatment of business owned motor vehicles



# Fuel Tax Credits Expanded



From the 1st July fuel tax credits have been expanded which means more businesses than ever will be able to reduce their business fuel costs.

Many businesses will be able to claim fuel tax credits for the first time, and many others will be able to claim additional fuel tax credits.

To date, you have been able to claim fuel used in heavy vehicles travelling on a public road, if they had a gross vehicle mass (GMV) greater than 4.5 tonne. You've also been able to claim for activities such as agriculture, forestry, fishing, mining and marine and rail transport.

Now you can also claim fuel tax credits for the diesel and petrol you use in a whole range of activities that weren't eligible before, including machinery, plant and equipment used in activities such as construction, wholesale, retail, property management and landscaping. The only fuels that are not eligible are fuels used in cars or other light weight vehicles travelling on public roads, alternate fuels and aviation fuels.

So get on board, if your business is registered for goods and service tax, but not fuel tax credits, check whether this latest expansion makes you eligible!

Or if you're already receiving fuel tax credits, look into whether you can receive more now!

For more information log onto the ATO website [www.ato.gov.au/businesses/content](http://www.ato.gov.au/businesses/content)

## Changes to unfair dismissals

The Governments' new workforce reforms will commence by year end, so small business owners should be on alert now. Currently, employers with less than 100 employees are protected from unfair dismissal claims however proposed changes suggest this protection will only cover businesses with 15 or less employees.

See full story and checklist at [www.halesdouglass.com.au/news](http://www.halesdouglass.com.au/news)

*If you do not wish to receive future issues of this newsletter, please call 4455 5333 and we will remove your name from our mailing list.*

## Planning for success

### October

The first quarter of the financial year is now behind you.

- Now is a good time to review your budgets and cash flow. Are you seeing some trends as to how the year is shaping up for you? Do you need to consider changes?
- BAS reporting is due at month end as is your quarterly Super Guarantee payment.
- Christmas will be here before you know it, so prepare your business for the busy season. Don't leave it to the last minute to prepare! Involve your team in working out the preparations too – you'll be pleasantly surprised by the results!

### November

- Consider any training that your employees may need prior to Christmas.
- If you are hiring casuals, they will need training too. Do you have all your procedures written out to help with this training? Call us to find out about the business procedures manual available to tailor to your business.
- If you're thinking of hiring new people, what system will you use? Do you have a written induction process? Do you have an induction manual? Do you have a written employment agreement for them to sign? What award will you be paying them under? Call Rob Douglass for help with your recruitment processes.

### December

- Christmas is here again. Make the most of it. If it's your peak season, you will be completely swamped with customers.
- Take some time out to see how your business is travelling from an outsider's perspective. Ask a friend to 'secret shop' at your business to assess how efficiently your team are handling the busy season. Make changes if necessary or give us a call for help with team training or for us to conduct a Customer Diagnostic.

For further info, please call Rob Douglass, on 4455 5333.

# Smart answers to investment decisions & taxation

*in the current challenging economic climate.*



Hales Douglass' "Investing for Success" seminar will provide you with insights into:

1. *Investments during market fallout*
2. *Success stories and an explanation of how to avoid costly pitfalls*
3. *How to save money for your investments with tax and superannuation strategies*

The right planning and advice now can make all the difference in years to come, so don't miss out on this valuable seminar (valued at \$50pp). Seats are limited and bookings essential, so register now at [www.halesdouglass.com.au](http://www.halesdouglass.com.au) or call 4455 5333. Be quick, the first 40 to register are free.

**Ulladulla:** Tuesday 14th October 2008.  
Venue: Hales Douglass Ulladulla.

**Batemans Bay:** Wednesday 15th October 2008.  
Venue: Catalina Club, 154 Beach Road, Batemans Bay

**Time:** 5.30 for 5.45pm start - 7.30pm  
Nibbles & drinks provided.

## 3 solutions to help your business survive & prosper

Save up to \$200 on these business improvement services *(for a limited time only):*

- 1. Benchmarking.** Compare your business with industry standards and identify opportunities for efficiency gains. Was \$350, now \$150 incl. GST.
- 2. Business Health Check.** A short question & answer review to discover opportunities for profit growth & areas for improvement. Was \$550, now \$350 incl. GST.
- 3. Full Business Analysis.** An in-depth analysis of your business, it's future direction & how to get there successfully. The outcome of this project will be a clear road map for your business to move forward. As each business has different requirements, we can provide a fee for this service once your business is known. Please contact Rob Douglass for bookings & information.

## New fixed fees & periodic billing

We realise the importance of having a clear & precise billing method, so we have introduced fixed pricing and periodic billing for some of our clients.

A fixed price will now be offered for specified deliverables, agreed up front, to give you peace of mind & no surprise bills.

If you would like more information on our new fixed fees or periodic billing, please contact Rob Douglass.

## A lesson for investors: *Continued from Page 1*

Economists got their currency forecasts wrong partly because they missed the turning point in interest rates. It seems pretty clear from this that they were just responding to fast-moving events.

The lesson from all of this is that if the experts, paid to forecast economic variables such as exchange rates and interest rates, have so much trouble getting it right, what chance has the average person?

It's just another vivid demonstration that the future is unknowable. That means that rather than adjusting your portfolio according to the latest economic forecasts, your best defence against unforeseen events is to stay diversified and disciplined.

And keep a record of last year's forecasts to remind yourself why you should treat the latest predictions with a large pinch of salt.



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The Hales Douglass team are happy to welcome back Belinda Sullivan to the Ulladulla office! Belinda rejoined the team in March after spending around 18 months opening and running her own Child Care Centre in Sussex. Belinda will be spending 3 days a week with us while on the other days running the Child Care Centre. We are happy to have her back!

As the Bay office expands, expect to see a new face amongst the Hales Douglass Team. We will be recruiting a Graduate/Undergraduate bookkeeper over the next few weeks to help meet our demands at Bateman's Bay.

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