Staff Spotlight

Eco-Committee
At Wealth Experience, we have recently established an eco-committee among members of our staff. This committee has members from each of area of our firm and is charged with the task of minimising our business's environmental footprint. There are many simple things that we can all do that not only reduce our impact on the environment, but also make good business sense as well. Please see the first of our 'eco tips' in this edition of the Powerline.

CPA Results
We have many of our staff currently in the process of completing their CPA studies. From the recent exams, we had three staff members – Tanya Toohey, Brad Hancock and Mark Silvester – receive High Distinctions for the subject of Ethics & Governance. Tanya was also the recipient of CPA Australia's Queensland Divisional Award, having achieved the highest mark in Queensland for the subject in that semester. Congratulations to Tanya, Brad and Mark for their hard work and dedication in reaching such achievements!

Baby News
It is with great excitement that we can announce the arrival of two new bundles of joy! Ross & Chloe Morello's second child, Lyndon Vito, was born on 18th February weighing in at 6lb 14oz. Sharon Baldwin of our Toowoomba office, along with her husband Ian, welcomed their second child Nate Ian into the world on 20th March (Sharon's 30th birthday!) weighing in at 8lb 1.5 oz. Both mothers and babies are happy and healthy.

Staff Arrivals
We have some new faces in both the Toowoomba and Stanthorpe Offices. Tanya Toohey and Maxine Evans have commenced employment within the Toowoomba office, working on Megan Lipp's accounting team. Tanya comes to us from Gatton, where she worked in a small firm for three years, and holds a Bachelor of Commerce while currently studying for her CPA. Maxine is employed on a permanent part-time basis while she works towards completing her double degree in Commerce and HR.

We also have Ebonee Schulze in the Stanthorpe Office and Aimee Driemel in the Toowoomba Office, both recently commencing their role as an office junior in their respective offices, performing general office duties and assisting in reception.

Staff Departures
It is with great sadness that we bid farewell to Kirsty Maclean. Kirsty began with RBS Morgans (then ABN AMRO Morgans) in July 1999, and became the HR Manager for Wealth Experience when Power Tynan and RBS Morgans merged in November 2007. Kirsty will be deeply missed and we wish her all the very best for the future.

Congratulations Dan!
On 4 December 2010, Dan Cuthbert attended the Australian Finance Group (AFG) Christmas Party and Annual Awards Presentation at Tangalooma, where he was presented with the AFG Excellence Award for the Most Equipment Finance Sales within Queensland, Northern Territory and Northern New South Wales for the 2009/2010 financial year. Dan said that his achievement would not have been possible without the great support he receives from both the staff and his clients. Congratulations Dan on this enormous achievement!

Dan Cuthbert accepts his award at the AFG Annual Awards Presentation

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Autumn 2011 • Issue 72

my say

with Scott Patterson

We all face challenges and testing times in our lives that come from being in business - from family, from other relationships or simply from our state of mind or the way we view the world on any given day. Everyone has good days and bad days. Our ability to cope with the challenges of life is often referred to as our resilience - that is, our ability to bounce back, our ability to pick ourselves up, dust ourselves off and get on with life with a positive attitude.

I attended a presentation recently by Dennis Hoiberg addressing this issue of resilience, particularly in light of the huge weather events that Queensland has faced this past summer. His key messages around maintaining our resilience and zest for life were as follows:

1. We have to learn to look after ourselves, from a medical perspective, in relationships, fitness and diet, mental health and spiritual health. Men in particular are not great at communicating or looking after their health, and as women are the primary carers in our community, they often look after everyone else and neglect themselves.

2. It is not how other people see you, but how you see yourself that counts. That is, you have to like who you are before you can see the good in other people. Your self esteem needs to be healthy and intact.

3. The human spirit is a wonderful thing. Our ability to overcome adversity is quite amazing.

4. The word "normal" is a misleading term. There is really no such thing in terms of normal human behaviour, except of course for extreme examples.

Dennis's advice for us all is to get used to doing the following:

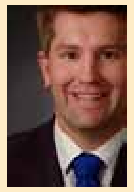
- Care for your mates;
- Get comfortable with feelings;
- Ask the question – "How are you going?" and follow up with – "I am concerned for you" – It is better to ask this question than to regret it later;
- Give yourself a break – conversation, time away etc;
- Talk yourself and your mates "up";
- Get good quality sleep;
- Watch your kids;
- Don't suffer from the "IwishIhada" syndrome;
- Get involved with the community - don't waste this opportunity;
- Have plenty of sex (2-3 times a week) – remember the need for intimacy!

Personally, I am trying to follow Dennis's advice wherever possible.

After a testing start to this year, I hope that we all remain energetically resilient and that 2011 turns out to be a great year.

inside this issue

Gen Y Investing



with
Philip Saal
from RBS Morgans
Authorised Representative (267882)

RBS Morgans

If you have grown children today, you would agree that people in their 20s and 30s are more educated than ever before. Some 85% of those aged 25 and older hold a high school diploma, and 27% have a degree. This generation of young adults is also the most technologically able to date, with mobile phones, personal computers and being internet savvy.

Despite this, all indications are that their financial literacy and personal finances leave much to be desired. Only 52% of high school seniors passed a recent national financial literacy test, meaning adults entering the work force do not know enough about basic budgeting, interest rates or taxes to make sound decisions for their own lives.

While the technological and financial landscape has changed dramatically in this generation's lifetime, financial education has not caught up. This has left many struggling to come to terms with a world of increasing financial complexity (including superannuation, finance and taxation) whilst juggling increasing levels of personal debt.
Thankfully, long time frames give a great opportunity for Gen Y's to build for their financial futures - but they have to start now.

So what can we do to encourage better financial health for our Gen Y's? One is to make sure their super is consolidated into one account. If you think you may have a lost super account, use the Australian Taxation Office website to find the Superseeker super search engine. All you need is your tax file number and hey presto, you've found them again. By encouraging them to make use of the Government's co-contribution scheme on top of the current 9% their employer tips in, their super account should look very healthy by late-30s. Setting aside a mere $20 (or $19.24 to be closer) from your after tax weekly wage is the easiest way to get the contribution organised and will hardly be missed.

Life and TPD insurance inside super has become increasingly important as it will cover personal debts in the case of death and ease the burden of funding periods of total or permanent disability. If held in your super policy you must understand that insurance premiums are taken from the super fund on top of other fees and this will affect your final balance.

The most important step may be to introduce them to a Financial Planner, and encourage them to set aside time annually to make sure they are on track for a good financial future. Financial Planners are able to help with debt management and budgeting, super and insurance, goal setting and saving plans. More importantly, Financial Planners can help in continuing education and decision making on financial matters.

Special Disaster Flood Assistance

with
Jason Halliday

With the wave of natural disasters that have affected many in the eastern states over the summer months, there have been various assistance packages developed to assist those adversely affected. Some of these measures have expired since publication of this newsletter. However there are still some measures available.

The available grants and loans have been specifically aimed at primary producers and small businesses adversely affected by the flooding and most recently the cyclones in northern Queensland.

In Queensland the principal facilitator of the assistance for primary producers and other small businesses is the Queensland Rural Adjustment Authority (http://www.qraa.qld.gov.au).

The main grant that QRAA is providing is one of up to $25 000 for primary producers and small businesses affected by Cyclone Yasi and the flooding which took place from November 2010 to January 2011 in many parts of Queensland.

This grant is intended to cover the following costs associated with the clean-up and restoration activities:

- purchasing, hiring and leasing equipment to clean up and resume business activities;
- clearing and disposing of debris and damaged goods;
- repairing buildings, roads, fencing and other essential infrastructure;
- leasing temporary premises;
- purchasing fodder;
- additional wages for employees assisting in clean up and restoration activities.

To be eligible to receive the grant, your business must be located in one of a number of local government areas as prescribed by QRAA. On top of this, small businesses must be able to show that they generate more than 50% of their income from the affected business.

The grant has two stages, the first is an initial $5 000 claim followed by another maximum claim of $20 000.

To claim the initial $5 000 grant, all that is required is evidence of damage, such as photographs, quotes or tax invoices. For the subsequent claim of up to $20 000 you will require detailed tax invoices and official receipts from suppliers to provide proof of payment.
If you have not already made your claim to QRAA for this grant, the deadline for applications is 30 September 2011.
Similar requirements apply to those businesses in New South Wales, however this grant is limited to $15 000. Further specific information for the NSW grant can be found at the Rural Assistance Authority website (http://www.raa.nsw.gov.au/).

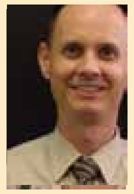
Low interest loans of up to $250 000 are also available to those businesses in disaster areas. These loans are available over seven years and the initial interest rate is 4%. These loans are designed to cover such things as restocking, replacement or repairs of buildings, payment of rent or rates and restoration works.

If you are requiring advice as to what you may be eligible to receive, or if you need assistance in completing the grant application forms, please do not hesitate to contact our office and one of our staff will gladly help out.

Superannuation

wealth experience
SUPERANNUATION SOLUTIONS
Financial Solutions for a Better Life

SMSFs in the post-Cooper era: what is happening?



with
Mark Silvester
Wealth Experience Superannuation Solutions

The Government has responded to the recent Cooper Review of superannuation through its "Stronger Super" reform package. While the proposed reforms cover the entire superannuation industry, our focus in this update is the impact on self-managed superannuation funds.

The Government has indicated that it supports and will implement many of the Cooper Review's recommendations to reform the SMSF sector. Its stance is that, given the significant role SMSFs play in Australia's superannuation system, it is important that there is appropriate oversight of SMSF service providers; that fund investments are consistent with the purpose of superannuation; and that fraudulent activity is curbed.

Some things that the Government has indicated WILL happen include:

- The SMSF registration and rollover processes will be amended to reduce the incidence of funds being illegally released from SMSFs. Proof of identity checks will be required for all people joining an SMSF, whether they are establishing a new fund or joining an existing fund. Identification measures will not apply retrospectively except for existing SMSFs wishing to organise rollovers from an APRA-regulated fund.

- New penalties will be introduced to prevent illegal early release. Criminal and civil sanctions will be introduced for illegal early release scheme promoters and amounts illegally released early will be taxed at the superannuation non-complying tax rate, with an additional penalty that takes into account the individual circumstances. Also, the superannuation legislation will be amended to enable the ATO to enforce the requirement for SMSF assets to be separated from personal or employer assets.

- The ATO will be provided with new regulatory powers to prevent and penalise breaches of the superannuation legislation. A sliding scale of administrative penalties will be introduced for less serious cases of non-compliance and will be payable by the trustee (personally), not from the assets of the SMSF.

- The ATO will also be given the power to issue trustees with a direction to rectify contraventions within a specified timeframe and to enforce mandatory education for trustees where there is non-compliance with the superannuation legislation, particularly less serious non-compliance, so that these trustees are aware of their obligations.

- The Government will undertake a review of leverage (i.e. borrowing in superannuation funds) in two years' time, covering all superannuation funds across the industry. This review will determine what impact leverage has had on the superannuation industry and whether such arrangements should be permitted to continue.

- The Government has previously announced that it will continue to allow SMSFs to invest in collectables and personal use assets, provided they are held in accordance with tightened legislative standards. These legislative standards will be developed in consultation with industry and will apply to new investments from 1 July 2011, with all holdings of collectables and personal use assets to comply by 1 July 2016.

Some things that the Government has indicated will NOT happen include:

- The ATO will not be provided with the power to issue binding rulings in relation to SMSFs;

- Data on SMSF borrowing will not be collected from credit providers, but will be collected directly from SMSFs as part of the ATO's collection and publication of SMSF data;
- Investment in in-house assets will not be prohibited.

No reforms come without cost. To this end, the Government has indicated that these costs will at least partially be funded by an increase in the annual levy imposed on SMSFs. Currently this stands at $150 and is paid with each year's tax return. However, the revised amount of the levy is not yet known, as the Government argues that this can only be determined once it knows the total cost of implementing the reform package.

Please do not hesitate to contact our office if you have any queries in relation to these reforms.

(Acknowledgement: the key points in this article have been extracted from the Government's Stronger Super website: http://strongersuper.treasury.gov.au).

Management Issues

Following the Floods

with
Scott Patterson
Wealth Experience Business Solutions

In recent months a large percentage of Australia has been under the influence of one of the strongest La Nina weather patterns that this country has experienced in a very long time. This climate pattern has seen almost unprecedented weather events in the form of floods and cyclones. These extreme weather events have a significant impact on not only buildings, roads and infrastructure, and people's personal lives, but also on businesses, both agricultural and non-agricultural. More than ever it is at times like these that we need to be mindful of some important business management issues.

On the one hand floods and cyclones cause significant damage and heartache, but on the other there can be significant upside in the medium to longer term as dams and soil profiles are full, and the rebuilding begins. The recovery, rebuilding and capitalising on the medium- to longer-term opportunities requires funding. Businesses therefore need to have access to that funding. There have been some significant government assistance packages announced which are helping, but the bulk of funding required is still likely to come from traditional sources such as banks. In order to have a good working relationship with your bank you need to be able to meet their lending covenants and reporting requirements. That means knowing exactly how your business is performing and also your planned performance. You need to be aware of your business's financial and non-financial key performance indicators, and have up-to-date reporting and forecasts. These are now mandatory requirements in business whether inside or outside agriculture.

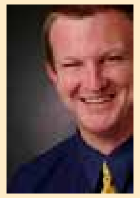
Planning for the future direction of your business has never been so important. As a business principal you need to be aware of and manage all the business risks that you face every day. We are often aware of risks but don't necessarily address or actively manage those risks. How many businesses either agricultural or non-agricultural have a disaster recovery plan for instance? Weather patterns like we have experienced are sometimes quoted as being 1 in 100 year events. That does not mean that it will be 100 years before we have to deal with another event like this year. Do you have concerns and have you addressed the issue of future adverse weather conditions?

Many people in business, particularly small to medium enterprises and family businesses, are time poor. That is, they are flat out week-in and week-out just keeping up with everything that they need to do in order to operate that business. They are fully engaged working with mind and body in the business. They therefore rarely take a step back and take the time to work on the business. Issues such as industry or sector trends are very important issues to consider. Do these trends provide opportunities or threats and how are we going to address our longer term viability and sustainability? Are our current levels of productivity equivalent with our industry best practice? If not, why not, and what are we going to do to improve?

Another issue to be addressed when working on the business is succession planning. Our businesses need to be sustainable in the short, medium and longer term. Sustainability is usually associated with our natural environment, but in order for businesses to be sustainable they also need to be profitable and have a vision beyond the current year. By its very nature this should mean addressing the issue of succession planning. As a business or farm owner, do you have a planned retirement date? Do you have a plan for the future ownership and management of that business or farm? If so, has that plan been clearly communicated to all relevant stakeholders? A well thought out, clearly communicated succession plan can make a huge difference, not only in terms of protecting assets but also family relationships.

Further management issues of importance will be discussed in our next issue. Should you have any queries in relation to the matters outlined above, please do not hesitate to contact our office.

FBT



FBT – Time to Record your Private Use

with
Brett Willmot

The end of the 2010/2011 Fringe Benefits Tax (FBT) year of 31 March is now upon us and as Motor Vehicles are the main FBT item, we will be required to record details for your vehicles that have been available for private use throughout the year.

The details that need to be provided to record any FBT are very simple and once this is all collated, the FBT payable on each vehicle can be calculated and recorded. The details required to complete the FBT calculations include:

- Odometer records at 1 April 2010;
- Odometer records at 31 March 2011;
- Costs for the period 1 April 2010 to 31 March 2011 (fuel, repairs, insurance etc);
- Details of when and how the vehicle was purchased;
- Copy of your logbook to show the business use percentage of the vehicle;
- Supporting documentation for the above information.

As the Fringe Benefits Tax Returns are due by 21 May 2011, letters and forms to assist with the collection of information required for the FBT calculations are currently being distributed to clients to whom this is applicable. These forms will provide you with the information that is required to complete the FBT calculations. Please read through these forms and complete them with relevant information to assist our office with completing the returns.

If you have questions when completing the forms, please do not hesitate to contact our office.

Wealth Experience Charitable Trust

Donations for the Flood Victims

As you may be aware, the Wealth Experience Charitable Trust was established by the management and staff of Wealth Experience Pty Ltd, and has supported a variety of charities since it began in July 2010. When the devastating floods swept through our region in January, the Trust committee felt strongly about supporting a charity that set out to assist local residents directly affected by the floods. The committee decided on Lifeline Darling Downs and South West Queensland, who provide aid to the flood victims in various ways, ranging from counseling to clothing and furniture.

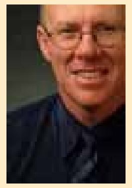
The Wealth Experience Charitable Trust raised a total of $5 000 for this cause, comprising of donations from both staff and clients, and the RBS Morgans Foundation contributed an additional $20 000.

Above: Wealth Experience Charitable Trust committee members Roma Smith & Lauren Guymer present a cheque for $25 000.00 to Lifeline Darling Downs and South West Queensland representative Derek Tuffield.

The committee would like to thank the staff, clients and RBS Morgans Foundation for their generosity towards this cause, and feel privileged to be able to offer assistance to our community in this time of need.

If charities would like to be considered as beneficiaries of the Trust, or if you would like to make a donation to the Trust, please contact the committee of the Wealth Experience Charitable Trust on 4632 9873.

Leasing & Finance



How to keep your credit record in top shape

with
Dan Cuthbert
Wealth Experience Leasing & Finance

It may only take a few notices from your credit provider to put an X-shaped dent in your credit record, but restoring it to a smooth finish is a much longer process. If you're one of the many Australians who have some form of blemish on yours, don't give up hope. There are various ways to make it as good as new – or near to it – depending on the severity of the damage against you.

What is a credit report?
A credit reports holds information about a person's credit history, including their applications to credit providers. Your credit file is a history of any money you have applied to borrow as well as a record of all the times you have not kept your promise of paying it back. This file contains related information on behalf of credit providers such as banks and finance companies, and utilities like electricity and telecommunication providers. Your credit report is drawn on by any credit provider you apply to for credit. Even if you do have items listed on your credit file, it doesn't mean that you can't be relied upon to pay off what you owe. However, depending on what they are, these listed items will affect your ability to get a home loan approved.

For example, if your credit report shows you have applied for a credit card and, if you have a clean slate for paying it off, it won't affect your chances of a home loan. If, however, you have a bad track record for continually missing repayments on the card, this increases your risk as a borrower to a prospective lender.

Many Australians misunderstand the importance of a credit record. Your credit file is like a blueprint and you have to remember that you are rated by each lender you do business with. Some lenders rate you by stars, for example. If you are late paying your account with them by a month, one star disappears. Then if this pattern continues, you may end up with only a few. But when you attempt to apply for a new loan in the future, your star chart is pretty grim and you are automatically declined. We really need to be careful of this, especially in tough times. Remember to pay your bills as they fall due or contact the lender to let them know you will be late paying.

Warning: *If you are applying for credit and your record has to be reviewed before you are approved, the credit provider should always ask your permission to check your credit file. However, if the company is not providing you with credit, they should not need to check your credit file at all.*

Where to find your file

To get a copy of your credit file, you can log on to www.mycreditfile.com.au and order a free version which is then e-mailed to you, usually within 14 days of you faxing your details. If you need it earlier than that, you can request a 24-hour turnaround, but you'll have to pay about $35 for the service.

The truth about late repayments

Let's put your mind at ease and clarify the facts associated with late payments affecting credit records.

If you are a few days late making your repayments, you're not likely to get penalised on your credit record. However, it's more important to know that this may vary according to your level of debt and the type of debt you are repaying. So, it's much better to get into the habit of paying on time – every time.

If you haven't paid your overdue accounts within 60 days of the first notice of payment (or when the final notice has lapsed) the debts will appear on your credit record. Then, they remain there for a total of five years from the date they were listed on your file. Any court judgments and credit applications, such as credit cards and mobile phone contracts, are automatically added to your file and also remain there for five years.

However, more serious infringements such as bankruptcies stay on the file for seven years from the date of listing. There are a number of processes your lender or credit provider goes through before the typical 60 days' repayment period is up and you get a permanent red mark against your name. Therefore, you should have more than enough time to pay off your debts if you happen to be late with one of your repayments.

Credit record blunders and how you can fix them

Applying for a home loan several times

Problem: You submit several loan applications to various banks in the hope that one may be approved.

How to fix it: You need to be upfront and make sure that your application is directed to the appropriate lender (a mortgage broker can assist you).

Letting ego get in the way

Problem: You dispute small amounts such as a $100 phone bill, and then ignore further requests to pay. This is risking having the items listed as a default on your permanent record.

How to fix it: It would be best to just pay it and continue to dispute the amount afterwards.

Finding an error in your credit report and ignoring it

Problem: You find an error on your record, but decide it can wait until later.

How to fix it: Approach the company that placed the default on your file immediately and demand that it proves you owe them money, as it could very well be the result of mistaken identity. You can also write to it in hard copy or e-mail explaining your dispute and ask for a written response. If necessary, try contacting Veda Advantage as well and inform them that there is an error on your file. Then, if you're a submitting a loan application, tell the bank that there's a 'correction pending'.

Not being upfront with your defaults

Problem: You are less than forthcoming with your lender about your past defaults, hoping the past issue may be missed.

Leasing & Finance

continued...

How to fix it: You need to be upfront and honest – the lender wants to know the events/reasons that caused the issue (promotion, illness and/or personal problems, etc), and how things have changed so that they won't recur. As long as the lender can understand the circumstances, you stand a better chance of getting the loan. However, you need to make sure that you are honest in your application.

Failing to keep tabs on your credit record

Problem: Over the years, when changing jobs and moving house, you lose track of details on your credit record.

How to fix it: Run a free check on your credit file every one or two years to keep up to date with your credit position. Always make sure you know where your mail is redirected to and how you are going to pay your bills.

The typical reasons for items being listed unknowingly are:

• a person moved house and a bill wasn't redirected;
• a cancelled account was thought to have been paid in full;
• a person decides to go bankrupt over a phone bill they couldn't pay.

Other mistakes appearing on your credit record might have an adverse effect on your rating such as:
• incorrect personal details;
• lack of positive personal details.

Defaulting on your mortgage and other loans

Problem: Missing your regular mortgage repayments as well as other debts.

How to fix it: Aim to consolidate all your personal and credit card debts into your home loan for a more manageable solution each month. Your record holds these defaults for up to seven years, after which you can start clean again. In the meantime, you should avoid over-committing yourself and attempt to develop a positive file. You can do this by maintaining your repayments, and even taking on smaller, more manageable monthly commitments.

Mistiming your home loan application

Problem: You apply for a home loan before you move house or change jobs.

How to fix it: Applying for credit is all about the timing and the risk involved with each individual borrower. If you are thinking of changing your abode or work situation in any way, it is sensible to wait until your credit is approved unconditionally.

Failing to keep up with your financial obligations

Problem: You're not great at keeping a diary, appointments or paying your debts.

How to fix it: Arrange to pay your regular commitments by direct debit. This then ensures they are paid even if you are away on holidays. Contact your credit providers and other companies you pay monthly and organise to submit the appropriate account details for payment by direct debit.

Extracted from Your Mortgage Magazine 6/09/2010

Eco Tip - Turn it off!

Did you know that lights account for up to 60% of energy use in an office? Have you also heard people say that 'it takes more energy turning the light on, than it does to leave it on'?

We all know this is a myth and furthermore, that it is always cheaper to turn lights off than to leave them on. So turn those lights off when you don't need them, especially when leaving the office or home.