

My Say Dancing in the Rain

with **Scott Patterson**



The impacts of the global financial crises and turbulent economic markets have now been with us since early 2008. That is, since early 2008 we have seen equity markets around the world suffer significant corrections.

Economic conditions inside huge markets like the USA and the European Union have been turbulent and depressed. Locally we have experienced changing, and some would say unstable government at federal and state levels, along with droughts and life threatening floods. The Australian dollar has been at historically high levels impacting significantly on our exporters. That is, for almost five years economic and social conditions have been testing at the very least.

In order to help both myself and others deal with these conditions I have been using the analogy of sailing through a severe storm. When the wind is howling, the rain pelting down and you are trying to negotiate huge seas how do you manage? The answer may seem obvious. You put on your life jacket, batten down the hatches, keep your eyes firmly focused on the horizon so as not to become too short sighted or pessimistic, and keep riding the waves

and forging ahead. You keep doing this until the weather clears, the sun comes out and you sail out into calm and serene seas. The problem is that this storm and its aftermath have now been going on for almost five years.

Having grown tired of hearing my storm analogy, my wife recently went out and bought a plaque which now hangs prominently on our kitchen wall. The words on the plaque read as follows: "Life isn't all about waiting for the storm to pass. It's about learning to dance in the rain". I think there is a lesson here for us all. When times are a little uncertain it is a natural reaction to become defensive, conservative and tentative with our decision making. This lack of confidence has been evident at all levels of business as well as the public sector. We need to remember that there are still opportunities out there and reasons to be positive. If we are not open to opportunities they can simply pass us by.

While there is certainly patchiness in our economy many businesses are doing very well. So, dust off your gum boots and let's dance our way out of 2012 and into 2013!

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Stop Press – Change of Postal Address for Roma Office

Please note we have changed the postal address for our Roma office. The new address is:

PO Box 1517 ROMA QLD 4455



Wealth Experience Charitable Trust

For the six months between 1 January 2012 and 30 June 2012, the Wealth Experience Charitable Trust has been raising funds to support its chosen charities - Toowoomba Hospice, Granite Belt Support Services and Royal Flying Doctor Service.

In July, the Wealth Experience Charitable Trust presented Granite Belt Support Services with a cheque for \$1,000.00, which funds a month of rent for the building hosting art works on davadi. Art works on davadi is a creative community hub that builds connections, inspires new ideas, brings diverse visions and offers learning experiences. Primarily designed to give opportunities to artists who have a disability or mental health issues, art works on davadi is open to the whole community – a place where artists can create, learn and display their works of art.

The majority of funds raised have been from staff contributions, including concepts such as the gold coin Casual Friday donations and the deductions from wages. The committee would like to thank the staff for their generosity over the last six months, and feel privileged to be able to offer assistance to such worthy causes.

The staff of Wealth Experience are currently in the process of voting on which charities to support for the six months ending 31 December 2012. The two charities with the most votes will receive a \$5 000.00 donation each before Christmas.



Above: Janet Boan and Therese Crisp of Granite Belt Support Services are presented with \$1 000.00 from Jane Kerridge, committee member of the Wealth Experience Charitable Trust

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.

Facts – First Home Owner Construction Grant (FHO CG)

- The Newman Government's First Home Owner Construction Grant is worth \$15,000.
- The FHO CG is for first home buyers who are buying a newly constructed or off-the-plan property.
- The FHO CG replaces the First Home Owner Grant which was \$7,000.
- Those first home buyers who are about to purchase an existing dwelling will have until October 11 to finalise their contract (to be eligible for \$7000 grant).
- First home buyers signing contracts for new properties before September 12 will receive \$7000 and those signing on or after September 12 will receive \$15,000.
- The program will be administered within existing arrangements in the Treasury department.
- Major banks and financial institutions will continue to advertise the FHO CG in their loan marketing material, reducing the cost for taxpayers.

The following eligibility criteria still apply:

- It must become your principal place of residence within one year of taking ownership.
- It must be your principal place of residence for at least six months.
- You must not dispose of all or part of the property within one year after you start to occupy the residence as your home.
- The property must be bought or built at a value under \$750,000.

Protect your family from life's surprises

with Craig Uys
from RBS Morgans



RBS Morgans

A recent survey conducted for the Financial Services Council by Rice Walker found that only 4% of those with dependants have sufficient life insurance¹. This has the potential to greatly affect families who aren't covered if one parent were to die.

Sufficient life insurance is generally accepted to be at least 10 times the insured's earnings. But alarmingly, six in ten people with dependants don't have enough life insurance cover to look after their loved ones for more than one year if they were to die².

Having been in the finance industry for a number of years, I believe these alarming results could be due to a lack of awareness about the types of life insurance solutions available and the cost of purchasing cover.

Many people insure their home and their car, but fail to insure their most important asset, their ability to produce an income, which is also their life. **People fail to realise the value of their 'working' life.** It supplies the capital that fuels the lifestyle that you and your family enjoy, not just now, but well into the future.

The table below demonstrates just how valuable an 'asset' your ability to

produce an income is. It shows your potential earnings over 20 years and takes into account annual CPI increases (3% pa) and pay increases (3% pa). The table represents your gross income, accumulating over time.

Even an annual income of \$30,000 today is potentially worth more than \$1 million in 20 years' time. Imagine no longer having access to that potential income - through injury, illness or death - which is so vital to you and your family.

There are many insurance products available that come under the 'life insurance' umbrella. So understandably, trying to evaluate the best product to protect your family can be daunting, and I recommend seeking professional assistance when choosing a life insurance policy. It greatly depends on the individual's stage of life, aspirations, family circumstances and working arrangements. **Life Cover** provides a lump sum to your dependants if you can't be there to provide for them. **Trauma Cover** pays a lump sum on diagnosis of serious medical conditions such as cancer or heart attack - provides people with funds just when they most need them. **Income Protection Cover** can be a huge benefit to provide a benefit

when you can't work due to illness or injury. **Total and Permanent Disability insurance (TPD)** may also be an important part of an insurance solution, as it provides a lump sum if the insured person becomes permanently disabled. Some TPD policies are specific to certain occupations, farming included.

I would encourage anyone who does not have some sort of life insurance to make an appointment with our office for a comprehensive risk management assessment. Those with life insurance, but who have not updated their policy recently, could also be at risk. Life changes such as marriage, the birth of a child, or purchase of a house all impact your life insurance needs.

¹ FSC-Rice Walker Fast Facts: a nation exposed!
² FSC-Rice Walker Fast Facts: a nation exposed!

Important Note:

This material is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Before making a decision based on this material, you should consider the appropriateness of this material in regards to your objectives, financial situation and needs.

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Your annual income in Year 1	30,000	40,000	50,000	60,000	70,000	80,000	90,000	100,000
Total income Year 2	61,800	82,400	103,000	123,600	144,200	164,800	185,400	206,000
Total income Year 3	95,508	127,344	159,180	191,016	222,852	254,688	286,524	318,360
Total income Year 4	131,238	174,985	218,731	262,477	306,223	349,969	393,715	437,462
Total income Year 5	169,113	225,484	281,855	338,226	394,597	450,967	507,338	563,709
Total income Year 6	209,260	279,013	348,766	418,519	488,272	558,025	627,779	697,532
Total income Year 7	251,815	335,754	419,692	503,630	587,569	671,507	755,445	839,384
Total income Year 8	296,924	395,899	494,873	593,848	692,823	791,797	890,772	989,747
Total income Year 9	344,739	459,653	574,566	689,479	804,392	919,305	1,034,218	1,149,132
Total income Year 10	395,424	527,232	659,040	790,848	922,656	1,054,464	1,186,272	1,318,079
Total income Year 11	449,149	598,866	748,582	898,299	1,048,015	1,197,731	1,347,448	1,497,164
Total income Year 12	506,098	674,798	843,497	1,012,196	1,180,896	1,349,595	1,518,295	1,686,994
Total income Year 13	566,464	755,286	944,107	1,132,928	1,321,750	1,510,571	1,699,392	1,888,214
Total income Year 14	630,452	840,603	1,050,753	1,260,904	1,471,055	1,681,205	1,891,356	2,101,507
Total income Year 15	698,279	931,039	1,163,798	1,396,558	1,629,318	1,862,078	2,094,837	2,327,597
Total income Year 16	770,176	1,026,901	1,283,626	1,540,352	1,797,077	2,053,802	2,310,528	2,567,253
Total income Year 17	846,386	1,128,515	1,410,644	1,692,773	1,974,902	2,257,030	2,539,159	2,821,288
Total income Year 18	927,170	1,236,226	1,545,283	1,854,339	2,163,396	2,472,452	2,781,509	3,090,565
Total income Year 19	1,012,800	1,350,400	1,688,000	2,025,600	2,363,199	2,700,799	3,038,399	3,375,999
Total income Year 20	1,103,568	1,471,424	1,839,280	2,207,135	2,574,991	2,942,847	3,310,703	3,678,559

Consider insurance for your SMSF members

with Mark Silvester from
Wealth Experience Superannuation Solutions



The Government has recently made further amendments to the superannuation Regulations as a result of the Stronger Super reforms that were announced in December 2010.

One of these three amendments relates to insurance for SMSF members, and is operative from 7 August 2012. The amendment clarifies the Regulations to ensure that SMSF trustees specifically consider whether their SMSF should take out insurance cover (such as life insurance) for the members of the fund.

Why all the fuss? Our interpretation is that the Government's stance is that SMSF trustees are all aware that they need to have a documented investment strategy for their superannuation fund. For many years, the Regulations have required many things of investment strategies, but in particular that (a) they are regularly reviewed, and (b) that they consider the "whole circumstances" of the fund. The changes to the Regulations tell us that one of these "circumstances" is whether trustees should hold member insurance.

Following from this, it would also appear that the change responds to compiled data which indicates that less than 13 percent of SMSFs have some form of insurance for members.

ECO TIP

Did you know that over half of the domestic waste going to landfill is compostable?

Backyard composting of certain food scraps and yard trimmings can significantly reduce the amount of waste going to landfill. Basically anything that was once living can be composted. This includes fruit and vegetable scraps, newspapers and paper towels, grass clippings and garden prunings, egg shells, ground coffee, tea leaves and bags, animal and human hair, cotton rags, and vacuum cleaner dust. There are a few things, however, that will make your compost sick. These are meat, seafood and dairy products. These things don't break down easily and as a result they rot and make your compost smell!

At first glance this might seem to be a measure designed to boost the life insurance industry. However on further examination, this is not really the case. What is required is that members' personal circumstances be considered. The Super System Review panel members noted that SMSF members are often more likely to hold insurance outside their superannuation (as compared to members of other types of superannuation funds).

So is there any need to panic? We consider that the answer to this question is "probably not". **Instead, SMSF trustees should be aware of what they need to do to prove their compliance with the new Regulation:**

- Consider all the circumstances of each fund member, and whether they need insurance (such as life insurance). Relevant factors here might include values of other assets held (personal wealth) that might negate a desire for insurance; age/stage of life (life insurance tends to get more expensive as you get older); estate planning considerations and so on.
- Where there is no member insurance (or levels now considered insufficient), take the appropriate action to obtain ownership of relevant policies, if this is what the SMSF trustees decide is needed. This may be inside or outside superannuation. Seek professional advice on which insurance may be more beneficial to hold inside superannuation.
- **Document any decisions made. This is particularly important.** Any decisions that are made can be documented in the fund's investment strategy and/or in minutes of trustee meetings held during the year. This may be subject to scrutiny by the fund's independent auditor as part of their report on the fund's compliance with superannuation legislation and regulations.

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Details of key changes to the Regulations have been sourced from the Explanatory Statement to Select Legislative Instrument 2012 No. 183: available at <http://www.comlaw.gov.au/Details/F2012L01654/93342b14-2794-4a25-b2b0-371e9a97bdbd>

How to Get a Loan When You're Self Employed

with **Dan Cuthbert** from
Wealth Experience Leasing & Finance



It doesn't matter how much you earn or how regular your income is: if you're self-employed, that's one more hoop you will need to jump through when applying for a home loan. That's not to say all self-employed borrowers will struggle getting finance, it just means you might need to work a little bit harder and pay close attention to the details.

To boost your chances of getting an approval come and sit down with us at Wealth Experience Leasing & Finance so that we can establish what taxable income level you will need to apply for credit. Once we have established your buying power and determined your eligibility for finance you will need to prove that your income is what you say it is.

Lenders look for consistency of income, they want to see that business has been ticking along steadily and maintaining a level of income that is suitable to meet their minimum servicing requirements. To confirm this, the lender will request the most recent two years' worth of personal tax returns, financial statements and ATO assessment notices for all legal entities you are involved with. If there is a large fluctuation between taxable income for the last two financial years, the lender may utilise the figures that relate to the lower of the two, even if that is an older statement. Some lenders only want one year or some will take an average of the two. By talking to us at Wealth Experience Leasing and Finance we can work out which lender will be best to use based on the financial information you provide us with. Lenders will also want to see the tax returns for the current year once it gets to about the 31st of December each year e.g. if applying for finance after 31/12/2012 they will want to see your results to 30/6/2012. Figures for 30/6/2011 will be too old by then.

Even when your income falls short and appears to fail the bank's initial servicing check, not all hope is lost. By working closely with both myself and your accountant, we can often unearth pertinent information about your business that can mitigate large deviations. For example, a start-up business may have a lot of one-off expenses in the early days, which a lender might take as being not ongoing or recurring expenses. Also if you renew a certain piece of equipment or attend courses or training one financial year, you won't necessarily have this same expense every year, so future years' net profits could be higher.

My advice to self-employed applicants is to tell us what has been going on in the business, as a solution may not be obvious to you, but will be to a trained eye. Some self-employed applicants are too good at reducing their taxable income, which can come back to bite you when it comes to applying for credit. In this new age of regulation and responsible lending, there is increased pressure on lenders to confirm an applicant's ability to meet minimal servicing requirements.

The most important thing to do is plan ahead and talk to us first before committing to a purchase. That way you can be properly prepared and preapproved before you proceed.

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Parts of this article were sourced from the website www.yourmortgagemagazine.com.au

Business Performance Benchmarks

with **Gilda Brisotto** from
Power Tynan



For years, businesses have been using benchmarking tools to assist them to assess the performance of their business against others in their industry and now the Tax Office are using these business tools as well.

The Australian Tax Office has developed Business Performance Benchmarks for small businesses in more than 100 industries. Feedback from the Tax Office indicates that around 90% of businesses within these industries are reporting within this benchmark range.

The Tax Office says that the benchmarks were developed as part of an on-going strategy to deal with businesses who may be avoiding their tax obligations by not reporting some or all of their income. These benchmarks provide the Tax Office with guidance on what figures they would normally expect a business in a particular industry to report.

The benchmarks were developed with different turnover ranges to recognize the variations that occur between businesses in different regions and with different business circumstances.

By publishing these benchmarks for small businesses they are making it clear what they expect from businesses in a particular industry. The published benchmarks can include:

- Performance benchmarks (provide financial ratios for different industries)
 - Cost of goods sold to turnover
 - Cost of materials to turnover
 - Labour costs to turnover
 - Rent to turnover
 - Motor vehicle costs to turnover
- Input benchmarks (show an expected range of income for tradespeople based on the labour and materials that they use).

Businesses that report outside these benchmark ranges may attract further attention. While the Tax Office have acknowledged that there may be reasons why a business might be reporting outside the ranges it says where the shortfall is significant, further checking will generally be undertaken.

When the Tax Office selects a business for review, they will first contact the business requesting that they review their records to ensure that they have accurately accounted for all their income. They will offer an opportunity to make a voluntary disclosure to correct any mistakes or provide valid reasons as to why they may vary from a benchmark.

A business selected for an audit could be asked to provide source documents including:

- Reports from computer software
- Invoices
- Receipts
- Cash register journals and point of sale system printouts
- Bank statements
- Reconciliations between sales journals and bankings of income
- Detailed descriptions as to how sales prices are calculated
- Complete a personal living expenses questionnaire to assess if they have reported all cash income.

There may be good reasons for a discrepancy between a business' results and the benchmark but a business which finds it is outside the benchmark range for its industry should also ensure that appropriate records and paperwork are available so that the matter can be cleared quickly.

If you would like further information or direction on industry benchmarks for your business, please contact us.

Source of information: ATO

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How are you managing your business risks?

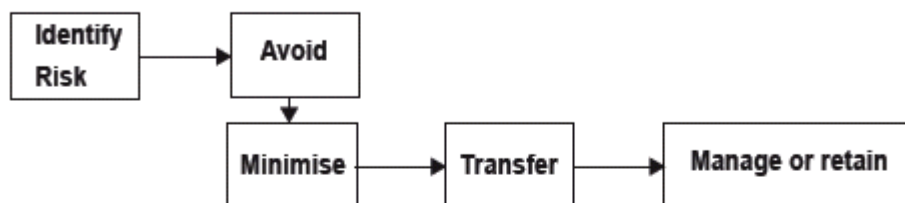
with **Scott Patterson** from
Wealth Experience Business Solutions



There are many sources of business risk. When starting your business it is important you understand there are certain risk events you can control and other events you can't. Changes in government legislation or adverse weather conditions (drought, flood, cyclone, etc.) are examples of risk events outside your control. Operating a business free of risks is limited to managing risk events you can control.

Minimising business risk

Identifying and managing risk is an integral component of building a successful small business. It would be impossible to remove risk from all situations but you can take steps to remove or reduce your business risk. The process for minimising business risk is graphically illustrated below.



To minimise business risk, small business owners need to implement effective risk management strategies into their business. This is a simple process of identifying what is a possible risk event, grading the event and then designing a strategy to minimise, manage or remove the risk, the latter being the most preferred. Here's an example of how risk management strategies work for small businesses.

POSSIBLE RISK EVENT: Owner work accident
PRIORITY: High
STRATEGY: Key person insurance
BY WHOM: Financial adviser
BY WHEN: At commencement of business trading.

Where to start: completing a risk management checklist

To minimise your business risk, start by completing a risk management checklist. Purchasing business insurance is one way of reducing business risk. When purchasing insurance make sure that you have sufficient cover in place to meet your current and future requirements.

Types of business insurance required by small business owners

General	Risk and Life
<ul style="list-style-type: none">■ Business Disruption■ House, Vehicle and Personal Goods■ Property■ Public Liability■ Work Cover	<ul style="list-style-type: none">■ Buy/Sell■ Income Protection■ Key Person■ Life■ Total and Permanent Disability■ Trauma

Outsource your risk management strategy

Your financial adviser is best positioned to provide you with risk management advice. Every small business is different. That's why discussing your requirements with a specialist will help you develop a tailored risk management strategy for your business ensuring you are well on the way to building a business that actively and successfully manages its business risks and gives itself the best chance of succeeding in its core business strategy.

For further information regarding the above topic, please contact us.

*This article has been sourced from **BStar Pty Ltd.***

Client Corner

Sedl Earthmoving Pty Ltd



Each quarter, we will interview one of our clients to get an insight into their business. This issue, we spoke to Michael Sedl, Director of Sedl Earthmoving Pty Ltd.

When did Sedl Earthmoving commence?

October 2012 will mark the 60th anniversary of Sedl Earthmoving Pty Ltd. Founded by my parents Max & Patricia Sedl, the company operated from premises located in South Street, later moving to its present home at 84 Warwick Street, Harristown.

The initial focus of the business was predominantly plumbing and drainage for both commercial and domestic premises in the Toowoomba area. Max Sedl made his mark by introducing equipment that significantly improved the labour intensive task of moving and digging earth. It is widely known that Max was the first person to bring a backhoe to Toowoomba, which was to complete the hospital job at Tara, then later the Moonie pipeline, completed in 1964.

What does your business do?

Earthmoving, Civil Construction & Heavy Haulage Transport.

What makes your business successful?

ATTITUDE

As a hands-on Managing Director of a company which employs over 65 people, I accept 100% of the responsibility for the results of the business. When accepting the total responsibility I can then act to make the changes necessary to accomplish the desired results. When success is achieved, I am very generous giving credit and praise to others in the company. Our business is about hiring and retaining the right people, eliminating ineffective people and providing the necessary equipment and training for staff to master the task at hand.

FINANCIAL PLANNING & BUDGETS

Sound financial planning and advice provided by Power Tynan has been an integral part of our success and a cornerstone to our business. A financial plan and an achievable budget provides an accurate way to measure business progress and shortfalls. The discipline to follow the budgets is often the hardest and most challenging quality to find.



CUSTOMER SERVICE

Good customer service and building relationships is the lifeblood of any business. Due to the nature and diversity of our business we rely heavily on repeat customer business. A good salesperson can sell anything to anyone but to get the customer to buy again is always about your approach and your customer service combined with quality workmanship.



What have been your biggest achievements to date?

- Moonie Pipeline, start to finish.
- Singapore Helicopter Facility located at Oakey Army Aviation Base.
- Queensland Rail – Winton Balloon Loop, Bulk Earthworks Ferny Grove.
- Winton Hospital Car Park, Full Construction.
- Brisbane Airport, Bulk Earthworks & Foundation Preparation.
- Numerous Residential Sub-Divisions in the Toowoomba region.
- Ongoing Civil Works both maintenance and new construction work for Local and State Government departments.
- Oakey Army Aviation Base (Aircraft Pavement Construction).
- Earthworks and road construction at Cotton Gins at Dirranbandi, St George and Moura.
- Industrial Estates at Wandoan and Taroom.
- Various bulk earthworks for major commercial builders around Toowoomba undertaking projects such as churches, shopping centres and schools.

What advice would you give to someone starting up a business?

Ensure you have a good business plan, work within your capabilities and resources, and always treat your employees with respect.

How do you relax from the pressures of being in business?

Work-life balance is often a difficult thing to harness. Everyone has just 24 hours in a day and how that time is spent directly impacts on the success of the business. I spend a lot of time outside of business hours assisting with charity work supporting the local speedway and show society. I also try to get away at least a couple of times a year for short breaks with my family and they enjoy boating, fishing and camping.

Diversification in Residential Property

Is it achievable and worthwhile?

with Brad Nightingale



“Should we diversify our residential property portfolio?” It is a question that regularly comes up and like many areas of property investment, there is no right or wrong answer. Much of the decision will come down to individual preferences and circumstances. But it is important to have considered the advantages and disadvantages of diversification before the decision is made.

Diversification means “not placing all your eggs in one basket”. The theory is that if one of your eggs (properties) and the area in which it is located performs poorly, then ideally, your other eggs (properties in different markets at different points in a property cycle) will still be performing for you in any given year.

To examine the effect of a diversified versus a non-diversified portfolio, let us look at a case study. Our investor has done some research and come up with Areas A and B as potentially good for long term capital growth. The investor has the capacity to purchase two properties and is trying to decide on whether to buy two properties in area A, two in area B, or one in each area. The theoretical results are given below. Please keep in mind that there are many assumptions, but the below example will show the effect of each decision. Over a 10 year period, areas A and B grow at the following rates:

Year	1	2	3	4	5	6	7	8	9	10	%Total Growth
% Growth Area A	0	0	5	5	10	10	20	20	0	0	70
% Growth Area B	20	20	0	0	0	0	5	5	10	10	70

Scenario 1: Two properties purchased in Area A

Year	1	2	3	4	5	6	7	8	9	10	%Total Growth
Growth of Portfolio	0	0	5	5	10	10	20	20	0	0	70

Scenario 2: Two properties purchased in Area B

Year	1	2	3	4	5	6	7	8	9	10	%Total Growth
Growth of Portfolio	20	20	0	0	0	0	5	5	10	10	70

Scenario 3: One property purchased in each area

Year	1	2	3	4	5	6	7	8	9	10	%Total Growth
Growth of Portfolio	10	10	2.5	2.5	5	5	12.5	12.5	5	5	70

In Scenario 1, our property portfolio gains complete exposure to the growth rates of area A, which in the first two years is zero. This would have been very frustrating and stressful to the investor from a cash flow point of view. In the first two years of Scenario 2, we have two properties growing at 20%, a fantastic result indeed, but we are then exposed to four straight years of zero growth in our portfolio. Therefore the question our investor needs to ask is: “Am I willing to expose my entire property portfolio to the natural fluctuations of only one property market?”

Looking at Scenario 3 where our investor has exposure in markets A and B simultaneously, we can see that the year by year fluctuations of each of the two different markets are balanced by each other. So across the ten year period, although Scenario 3 does not have years of large growth rates like 20%, the slow growth years are balanced, resulting in less fluctuation on the path to capital growth.

Diversification decisions are more critical in the early part of your portfolio accumulation, say when you are looking at your second purchase for example. At this stage, the second property will represent 50% of your property portfolio, exposing this large percentage to the

effect of the market in which this property lies. Whereas the purchase of the 10th property will mean that only 10% of your portfolio is being committed to the purchase. The fluctuations associated with this 10th purchase will have far less of an impact on the overall performance of the portfolio in comparison to the second purchase.

There are many factors to consider in the diversification decision. Indeed many property investors have been successful by diversifying and many have been successful by concentrating their investments. At the end of the day, it is an individual decision that depends on your own investment psychology and the confidence you have in your market analysis.

Brad Nightingale is a Property Investment Consultant of NPA Property Group.

About NPA Property Group

Owned and managed by CEO Craig Whaley, NPA Property Group is a national property analyst company specialising in market research and building property portfolios. NPA is a market leader with a trusted reputation for client service and sound property advice. The Wealth Experience Group has recently partnered with NPA Property Group to provide clients with the full range of financial services from one organisation, including direct property investment.

Dan Cuthbert, Division Manager

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Online Security & ATO Scams

with **Chelsea Brunckhorst** from
Power Tynan



With technology being enhanced every day the risk of scams is also on the rise via phone, mail, online and face-to-face. It is likely that almost everyone has been a target of a scam, such as email 'phishing' scams designed to trick you into giving away your money, passwords and personal details (such as your tax file number - TFN).

From time to time, the ATO will send out emails, SMS or post out documents promoting new services or alerting you to due dates, for example that tax time is approaching or that your business activity statement is due. However, they will never send an email requesting you to update or confirm confidential details such as your name, date of birth, address, passwords, credit card details etc.

If you receive an email claiming to be from the ATO you should be wary of its contents. Hoax emails often look very convincing but are generally poorly worded and contain spelling or grammatical mistakes.

The ATO provides the following simple tips in relation to scams (taken from www.ato.gov.au):

1. Report emails that offer tax refunds in exchange for entering personal information

We can only calculate tax refunds after you have reported information to us about your financial activity for the year. Based on that information we automatically pay any refund due into your nominated bank account or send you a cheque. Any email that requests additional information before a refund can be released is a hoax.

2. Report emails which inform you that you owe us money or your account is in arrears and we will now be taking you to court

We will never email you with this information. Once we have processed your information, we will send you a notice or account statement to let you know of your total tax liability and if you owe money. This will also tell you when you need to make any payments.

3. Always use our online services by visiting www.ato.gov.au

Following this practice ensures you are logging into the genuine ATO website. You will always be prompted to sign with your AUSkey before you can enter the Business, BAS, and Tax Agent Portals. If you aren't asked to do this, the website is a fake.

As an extra precaution we recommend you type internet addresses directly into your internet browser rather than clicking on links embedded in emails. You can also check the URL of the page you are visiting to ensure the site is genuine.

4. Make sure you keep your tax file number (TFN) and passwords secure

We recommend you change your passwords on a regular basis. Try using one that consists of a combination of numbers, letters (both upper case and lower case), punctuation, and special characters. Don't share your password with others and never reply to emails with your password or other sensitive information, including your TFN. Keep your password and TFN secure.

If you think you might have been target of an ATO scam please contact the ATO direct or speak to the staff at Power Tynan.

Deputy Commissioner of Taxation visits Toowoomba

The office was a buzz of excitement. The word had passed around. The Deputy Commissioner of Taxation, Cheryl Lea Fields was in town and was dropping in to pay a visit to our humble office!

Despite any initial reservations, it was confirmed that the Deputy's visit was NOT an audit and had nothing to do with the integrity of our lodgements. Rather, Cheryl-Lea was in town on Friday 17th August, talking earlier that day to the Toowoomba Chamber of Commerce and as part of her tightly scheduled agenda, she had expressed interest in catching up with a local practitioner at the grass-roots level. The discussions revolved around the ATO's lodgement program and the need for tax agents to maintain a good lodgement history. To date, we at Power Tynan have enjoyed a healthy relationship with the ATO in relation to our lodgements, which we have achieved through both our prudent follow up of clients via phone calls and letters during the year, but also with the efforts and assistance from you our clients, in making sure we have all the information we need in a timely and orderly fashion. To further assist us in this endeavour, we will continue this year to send checklists prior to commencing your work, to help you when compiling your tax information. Please do not hesitate to contact our office prior to sending your information in to have these sent to you. In addition, wherever possible, we will also seek opportunities to make recommendations in relation to improvements in record keeping and in particular, to encourage clients to realise the benefits and efficiencies gained from online computer programs.

The Deputy Commissioner also listened to our concerns and frustrations over the recent changes to the ATO's approach to debt collection and increasing aggressive approach to reigning in outstanding lodgements including both Business Activity Statement and Tax Return lodgements.

Other messages Cheryl delivered on behalf of the ATO included the continuing focus of ensuring that all businesses operate on a 'level playing field' in regards to the cash economy and fraudulent activities. She also highlighted the need for practitioners and clients to be alert to scams and other criminal activities. As clients we urge you to keep your confidential information such as tax file numbers secure at all times. In addition, we promote the use of our Secure Returns facility that allows us to transmit copies of your tax returns, financial statements etc to you directly at no cost. At the same time, you as a client can upload your important financial documents for us to access.



Above: Our Toowoomba Compliance manager Megan Lipp with The Deputy Commissioner of Taxation, Cheryl Lea Fields

Have you lodged your PAYG Withholding Payment Summary Annual Report?

- Do you employ people in your business?
- Have you provided your employees with their PAYG Payment Summaries?
- Have you lodged your PAYG Withholding Payment Summary Annual Report with the ATO?

PAYG Payment Summaries need to be prepared and provided to each of your employees by 14 July following the end of the financial year.

A PAYG withholding payment summary annual report must generally be lodged with the ATO by 14 August unless you are eligible for a lodgment concession.

If you need assistance or have any questions in relation to your business please contact us.

Staff Spotlight

·Baby News·

The month of August delivered two little bundles of joy - Jane Kerridge of our Stanthorpe office and partner Scott became proud new parents of Benjamin Robert Kerridge, as well as our HR manager Tricia Jenkins and partner Nathan, with the early but safe arrival of Darcy Bryn Jenkins. Mums and bubs are all doing very well. Congratulations girls!

Also, Friday 7 September was the last day of work (for the moment!) for Chloe Morello of our Stanthorpe office as she departs on maternity leave for baby number three, due in early October. We wish Chloe all the best!

Surat Basin Energy and Mining Expo

Wealth Experience was a part of the Surat Basin Energy and Mining Expo held at the Toowoomba Showgrounds on 20 and 21 June, hosting a stand in the main pavilion.

The event was a great success, with our stand holding a Business Card Draw. Every two hours a business card was drawn from the bowl to win a prize, with the main prize being an iPad. Our lucky iPad winner was Brook Quinn – congratulations!



Above: The Wealth Experience stand at the Surat Basin Energy and Mining Expo



Above: Our CEO Paul Hilton presenting winner Brook Quinn with his new iPad

RBS Morgans Top 10

Well done to the Toowoomba RBS Morgans team, who were named in the Top 10 RBS Morgans firms in Australia for the month of June 2012!

Congratulations Jason!

Jason Clewley of our Toowoomba office has recently completed both the education and practical experience components of the CPA Program and has advanced to CPA status. Well done Jason!

Gold Coast Marathon

The Gold Coast Marathon was held on 1 July. Conditions were perfect and there were approximately 10,000 participants, including Kym Naumann of our Toowoomba office (who competed in the 10km) and Amanda Kenafake, Dan Cuthbert and Toni Jackson of our Stanthorpe office (who competed in the 21.1km half marathon), who were all very pleased with their results.

It was the first time Amanda, Toni and Kym had competed in this event, so they should be very proud of their achievements.

Walker Wayland Australasia Limited

As of 1 September 2012, Wealth Experience has been accepted into Walker Wayland Australasia Limited as a Regional Associate Member. Walker Wayland Australasia Limited is a network of independent accounting firms throughout Australia and New Zealand. By becoming a Regional Associate Member, Wealth Experience will benefit through networking opportunities, the sharing of knowledge and skills, and the intrinsic benefits that come from being part of a larger group, whilst still retaining our independence.



Power Tynan



RBS Morgans



Wealth Experience
New Projects Australia

WEALTH EXPERIENCE GROUP



wealth experience
Financial Solutions for a Better Life

Financial Solutions
for a Better Life

A unique offering



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Financial Solutions for a Better Life
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Leasing & Finance



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Financial Solutions for a Better Life
Wealth Experience
Superannuation Solutions



wealth experience
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