

## CONTENTS:

### Business Improvement:

- Running a business from home - Part 1
- Pass on your wisdom and your wealth
- Case Study - Full steam ahead for local business
- Free superannuation clearing house for small business through Medicare Australia

### Of interest:

- Team member profile
- Upcoming Events
- Movie review
- Book Review

### READ BY:

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- .....
- .....
- .....

## Running a business from home - Part 1

IS THE KITCHEN THE BEST PLACE TO RUN YOUR BUSINESS FROM? MAYBE THE COUCH WOULD BE BETTER! HERE ARE SOME OTHER THINGS TO BEAR IN MIND.

### Consider your lifestyle

Working from home is a tempting way to start a business. There are two apparent advantages: big savings in operating costs (no rent) and time (no travel – adding extra productive, or leisure, hours to your working day) But are they real advantages? Introducing a business into the home can upset family life – and letting family life intrude into your business can disrupt your business. That's a conflict that can only be resolved by quarantining the office or workshop from the family area and imposing – and adhering to – a strict schedule. Here are some other things to look out for;

### Check with your council

A home office in which you work on phones and computers is unlikely to upset your local council, or your neighbours – but it is best to check. Council permission is usually required when the home-based business is of a kind that will change the material use of your land. Two examples of this are:

1. non-family staff travelling to your home each day (and parking in your street)
2. your business is of a kind that requires regular visits by clients and suppliers

### Find out your tax position

If you set up your home business in a certain way, you will gain tax advantages that could help your cashflow. To gain access to those advantages, you will need to set yourself up so that your business activity qualifies part of the home as a "place of business". The requirements are fairly detailed but generally there are four criteria that are taken into account:

1. That it is used exclusively in the conduct of a business



2. Is clearly identifiable as a place of business
3. Is not readily adaptable for private use
4. Is regularly visited by clients or customers

### Make the most of the tax advantages

If your home office or workshop does qualify as a place of business, you will be able to claim a tax deduction for a portion of occupancy expenses such as rent or mortgage interest, rates, insurance and running expenses such as electricity, gas, telephone and depreciation on furniture and fittings. You should keep careful records of the costs and of course receipts to gain full value from this opportunity. Note however, if your income includes personal services income, you may not be able to claim a deduction for occupancy expenses.

### Be aware of the alternatives

If your home does not qualify as a place of business even though you are working from home, you will not be able to claim tax deductions for occupancy expenses. You will, however, be able to claim a portion of the running expenses if it can be shown that additional expenditure was incurred as a result of carrying out income earning activities at home. Again, this requires careful record keeping and assistance to calculate the percentage of running costs that may be claimed.

### Part 2 will look at the capital gains tax implications and other issues to consider.

**If you are considering running a business from home, contact the team at Hattam McCarthy Reeves to discuss the matter in more detail.**





## Pass on your wisdom and your wealth

ACCORDING TO RECENTLY RELEASED REPORTS FROM BANKWEST AND GOLDMAN SACHS JBWERE, THE NEXT 20 YEARS WILL SEE THE LARGEST TRANSFER OF INTERGENERATIONAL WEALTH IN AUSTRALIAN HISTORY.

Ensuring that the right amount of money goes to the right people, at the right time, and in the most tax efficient way is of paramount importance when considering the value of assets being passed down. Bankwest estimates that \$400 billion dollars worth of housing alone will pass to another generation in the next 15 years!

When people talk about succession planning they mainly refer to the assets that will pass down from generation to generation. It is my belief that what people really want to leave as their legacy are their values, beliefs and philosophies. These can shape many generations to come. Having money is one thing, what you may do with it is another.

Unfortunately there is not enough time spent communicating this among family members.

- Many families need to stop and think about what their values are.
- What is it about your family members that is important to you?

- How important is it that your family gets your wealth, or do you feel you should keep it for yourself?
- How and when would you like them to receive it?
- What lessons and values should the younger generations of the family learn from you?

You might start to think about what would happen if you did nothing. No Will, no plan, no communication. Where would this end up? A lot of wealth would probably end up in the government's hands!

Plan with your family, not AT them.

60% of lotto winners are in a worse financial position within five years of winning. The same impact could be expected if you don't prepare the next generations for wealth that will come to them in the future. But unfortunately the first time many children learn of their inheritance is at the reading of

the will or when the cheque turns up in the post.

Educating the next generation about the value of money and some of the lifelong lessons that have been learnt (maybe the hard way) are a vital part of ensuring the family makes the most of the resources they have.

Add to your own security by helping your family prepare and protect their future.

No matter how grown up your children are or if they have children of their own, as a parent you want to help guide them through life. While you've planned well to secure your retirement, it may be that your children have not.

**Introduce your family to the benefits of financial advice and you are not only helping them prepare and plan for the future, you are protecting your own well-being. A financial emergency for them could also affect your own financial security.**

*Contributed by Tony Catt  
Director, Catapult Wealth*

## Upcoming events

### Do you know the urgent action you need to take on new workplace safety rules?

From 1 January 2012 what has commonly been known as OH&S will be referred to as WHS standing for Work Health & Safety. Safe Work Australia was formed in 2009 as an independent statutory agency to improve work health and safety, and workers compensation arrangements across Australia.

It will streamline legislation and regulations across states. With many workers operating in more than one state the education and promotion of WHS standards and workers compensation can be done at a national level. 12 Codes of practice have been drafted covering a variety of risks and environments.

We are planning information sessions on this important issue for early 2012, please call as



to register your interest or email [events@hmcr.com.au](mailto:events@hmcr.com.au)

For more information also see:  
[www.safework.sa.gov.au](http://www.safework.sa.gov.au)  
[www.safeworkaustralia.gov.au](http://www.safeworkaustralia.gov.au)

## CASE | study

### Full steam ahead for local family business

IT BEGAN WITH ONE TRUCK IN 1968.

GROWING STEADILY OVER THE YEARS TO NOW HAVING THIRTY ROAD TRAINS AND THIRTY SUB CONTRACTORS PLUS A NUMBER OF FARMING INTERESTS, THE QUINN FAMILY WANTED SOMEONE WHO COULD HELP THEM TO INCREASE THEIR BUSINESS AND FINANCIAL SUCCESS.

Having worked with Andrew Mattner at a previous firm, Rodney knew that no one knew his businesses like Andrew. Moving with Andrew to Hattam McCarthy Reeves was an obvious and clear decision.

While there were many business issues and processes that needed to be addressed, ensuring the family's business would continue for future generations was important to Rodney and his wife, Mandy.

With their son, Scott working in the business and three daughters pursuing their own careers, Rodney and his wife worked with Andrew on succession planning, ensuring the family and the business would be taken care of well in to the future.

Andrew provides Rodney and his wife Mandy with peace of mind, comfort and security in having a trusted advisor who is part of their business, who genuinely cares about their

future. Knowing Andrew's interest goes beyond the number crunching is important to Rodney and Mandy. Andrew is a part of every aspect of the Quinn family's second-generation business operations.

To ensure systems are being implemented correctly across all levels of the business, Andrew will travel to Port Lincoln and Cleve to meet with staff to discuss new processes and procedures. It is his committed, thorough and hands on approach that is highly valued by Rodney and Mandy.

Andrew's knowledge and ability has helped identify other issues which needed to be addressed including estate and tax planning, strategic planning, Superannuation, and the creation of governance structures to ensure business plans stay on track to achieve targets.

Rodney and Mandy know that having Andrew on board allows them to focus on other elements of the business, ensuring a strong and robust future for the business and their family. Andrew is a member of Family Business Australia and is an accredited Family Business Advisor. Andrew helps families just the Quinn family with issues such as succession, estate and tax planning and business advice.

*"We have worked with Andrew for twelve years and wouldn't think of going anywhere else. Andrew has a genuine interest in our*



*family business and goes above and beyond to help us.*

*The biggest thing that Andrew provides us with is peace of mind. Knowing that Andrew has our business covered is something that means the world to us.*

*His hands on and genuine approach really matters to us. We know our business is always a priority. It is the extra things Andrew does that make a difference. If Andrew notices we have experienced some bad weather, he'll give us a call to check on how things are going with the farm and if the weather will affect harvest, which, to us, really illustrates his commitment and passion.*

*Andrew is more than just our accountant; he's our business advisor, strategist, planner and friend.*

*I would be happy recommending Andrew to anyone. I know we'll be with him for many years to come."*

Rodney Quinn – Managing Director,  
Quinn Transport



### Team member profile

**Kim Verrall** - Client Services Manager

**My job at HMCR involves...**

Financial statement preparation, Quarterly Management reviews & assisting clients wherever possible

**My dream holiday destination is...** Italy

**For my last meal...** Chateau Briand

**The TV show I can't live without is...**  
I can live without TV

**One thing that really annoys me is...**  
my untidy children

**When I was growing up wanted to be a...** Vet

**If I could change one thing about myself...** get fit

**My first job was as a...** Travel agent

**Something you probably don't know about me is...** I don't cook

**I cant live without my...** friends

**The person I admire most is...** My father... he is a unique character

**I am scared of...** heights

**I get mad when...** I don't get mad that often

**The thing I like best about working at HMCR...** The people... & Sarah's muffins!

# Free superannuation clearing house for small business through Medicare Australia

ON 6 NOVEMBER 2009, THE FEDERAL GOVERNMENT ANNOUNCED ITS FREE SUPERANNUATION CLEARING HOUSE SERVICE FOR SMALL BUSINESS THROUGH MEDICARE AUSTRALIA. THE SERVICE HAS BEEN AVAILABLE FROM 1 JULY 2010.

The free superannuation clearing house service is being offered to small businesses with less than 20 employees. This service is optional and

is designed to reduce red tape and compliance costs for small businesses when meeting their super guarantee obligations.

The Small Business Superannuation Clearing House (the Clearing house) is administered by Medicare Australia and lets employers pay their super contributions to a single location in one simple electronic transaction.

Small businesses that register to use the service will have their super guarantee obligation

discharged when payment of the correct amount is accepted by the clearing house by the super payment cut-off date.

Take up of the service has been slower than predicted so the government is running a campaign aimed at encouraging employers to use the facility.

**Please contact your HMCR adviser for more details on how this service may benefit your business.**



We wish to advise that our office will close at midday on Friday December 23rd and reopen on Monday January 9. We thank you for your continued support and wish you a very happy Christmas and prosperity in 2012.



## Just a thought

“In bullfighting there is a term called querencia. The querencia is the spot in the ring to which the bull returns. Each bull has a different querencia, but as the bullfight continues, and the animal becomes more threatened, it returns more and more often to his spot.

As he returns to his querencia, he becomes more predictable. And so, in the end, the matador is able to kill the bull because instead of trying something new, the bull returns to what is familiar. His comfort zone.”

CARLY FIORINA  
(Former Executive and president of Hewlett-Packard Co)

## Movie review

### ANONYMOUS

It's been highly amusing hearing all of the kerfuffle Anonymous has caused. Directed by Roland Emmerich - the man behind Independence Day and 2012 - it has caused much consternation. Championing the theory Shakespeare wasn't the author of his work it's amazing how certain critics have taken this movie as fact. Like Shakespeare's plays, Anonymous magnifies the hearsay and gossip about his background and spins a tangled web mirroring the intricacy of the Bard's words.

Edward de Vere (Rhys Ifans) is an Elizabethan aristocrat skilled in writing plays. Having an adverse effect on his social standing where such theatrical frivolity is frowned upon he tries finding a way out of this situation.

While honing his skills, he also conducts an affair with Queen Elizabeth 1 (Vanessa Redgrave). When her wicked counsellors plot to use his writing against her, de Vere stumbles upon a plan to force authorship of his work on the roughish Shakespeare (Rafe Spall) - little knowing of its historic ramifications.

As a factual look at the origins of Shakespeare's plays and their authorship, Anonymous should be taken with a pinch of salt. Typically for a story speculating on what happened it plays fast and loose with the truth in order to fit its narrative. Whilst consistently engaging it's somewhat disappointing it takes the view a 'mere nobleman' couldn't have written such fine works. Creativity derives from any source and the jealous whispering from scholars - and this movie - shouldn't be taken too seriously.



Despite its dodgy guess-work, Anonymous benefits from some excellent production design and superb costuming. These successfully draw the viewer into the various skulduggery and treachery at play with the finely cast actors adding much to their well-defined characters. The biggest surprise is this has all come from Emmerich's hands - a Director not usually noted for his artistic endeavours. All credit to him for doing something different even if he tries too hard to present a convincing case.

Anonymous is a generally fine Elizabethan drama full of the pageantry one would expect. Like any fictional movie however it pays to look at the facts behind the fiction with this look at Shakespeare's beginnings one worthy of further investigation.

**Rating out of 10: 6**

**Hattam McCarthy Reeves**  
tasty recipes for business and wealth improvement



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