



Insight

Welcome to the Summer 2009 edition of AMD Insight

One of Bunbury's biggest employers is the City of Bunbury Council and for many years the Council has entrusted its auditing to AMD Chartered Accountants.

In this issue of *Insight* we look at some of the ways Bunbury City Council helps keep our community healthy and happy.

We also showcase some of the AMD staff who are supporting good health initiatives in our community.

Wishing you all a Merry Christmas and Happy New Year.

The AMD Partners and Team

Insight Summer 2009

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Bunbury City Council Chief Executive Officer Greg Trevaskis, Executive Manager Corporate Services Ken Weary and City Accountant David Ransom in the council chambers foyer with a sculpture by Ian Dowling titled 'Saddle Grove'.

Client Focus

Bunbury City Council

With an annual turnover of \$65 million and 320 people on the payroll, the Bunbury City Council is a big business.

Gone are the days of council organising just the three R's of roads, rubbish and rates. Today the council is a multifaceted organisation which, according to Chief Executive Officer Greg Trevaskis, is involved in more than 80 business ventures ranging from the South West Sports Centre, to events such as the annual Australia Day festivities.

"Bunbury City Council is responsible for providing all

types of infrastructure which supports our enviable lifestyle," Greg said.

"We are involved in a whole range of business areas such as road construction, design and drafting, town planning services, financial services and we own and fund facilities like the Bunbury Regional Art Galleries and the Bunbury Regional Entertainment Centre."

"Nobody is more loyal in supporting community groups, employment and industry, and we take a keen interest in education, health and recreation programs which

form the basis of a strong and healthy community."

The council has a buy local policy ensuring that a significant proportion of its expenditure stays in the local economy.

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Feedback

We value your feedback. Tell us what you would like to see in future issues of AMD Insight? What topics? What areas of interest? Please email amd@amdonline.com.au or call (08) 9780 7555 and speak to Angie.



The AMD team at Light The Night in support of the Leukaemia Foundation of WA. Left to Right: Lauren Partridge, Tim Partridge, Maria Cavallo, Andrea Harris, Dylan Harper, Michelle Bellairs, Tara Castrilli, Sarah Altham and Alicia Garces.

A chance to give back some support

This year's Light the Night parade for the Leukaemia Foundation of WA in Bunbury had a special significance for Dylan Harper.

Dylan has a bright future both as an Accountant – Audit and Assurance Services for AMD and as captain of the South Bunbury Football team.

But seven years ago an event in his life could have put paid to all that.

On New Year's Eve 2002, just after he finished Year 12, he

was diagnosed with acute promyeloid leukaemia.

It started with a bruise on his leg and his mother's insistence on consulting a doctor.

Dylan went through six months of intensive chemotherapy and 18 months of maintenance treatment before he was cleared.

"I still get sick a lot but other than that I'm fine," he said with a smile.

Earlier this year Dylan, who

joined AMD in April, was asked to become an ambassador for the Leukaemia Foundation which helped him and his family through the ordeal.

"I'm proud to be an ambassador, to help others possibly in the same situation I was and to assist the Leukaemia Foundation to benefit people with Leukaemia," Dylan said.

Dylan was part of a team of AMD employees who took part in Light the Night on September 16.

Superannuation Update

AMD Superannuation Services provides a complete advisory and compliance service for Self Managed Superannuation Funds (SMSF) with all planning, technical and administrative requirements being managed by our specialist team.

Our Superannuation Team assists an extensive range of clients requiring superannuation support including employees, business owners and retirees. Our clients share a common goal of seeking to maximise their retirement income. The services tailored to the unique needs of each client include:

Self Managed Superannuation Fund (SMSF) Establishments

In addition to the preparation of financial accounts, income tax return, audit and all regulatory and compliance matters, AMD assists clients in the establishment of new funds by attending to the preparation of trust deeds, minutes and associated documentation.

Administrative Services & Advice

AMD provides all ongoing administrative and technical services for SMSFs. These services include the preparation of financial accounts, performing the mandatory annual audit, attendance to the fund taxation requirements, liaising with the ATO and providing technical advice on the complexities of superannuation legislation. Where SMSF accounts are

prepared externally, our team can conduct the mandatory annual audit of the fund as a separate service, ensuring your fund is compliant in all areas.

Pension Fund Advice

A variety of pensions are available and our team assists clients in the process of moving a fund from the accumulation to a pension fund; we assist clients in selecting the most suitable option for both income and tax effectiveness. We also take care of all documentation requirements in relation to setting up and maintaining a pension income stream.

Superannuation Strategies & Planning

AMD is proactive in our approach to providing up-to-date advice on superannuation related strategies for both business and individual clients. Our team can help you with some of the more challenging aspects of retirement planning for your superannuation fund, as well as assisting in estate planning matters to ensure your assets are dealt with as you wish.

By listening carefully to your concerns and providing support and referral, we take the worry out of all your self managed superannuation issues. More information and an obligation free first discussion are available by contacting our Superannuation Services Team on (08) 9780 7555.

Client Focus

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"Over the years we have established a long term relationship with AMD Chartered Accountants," Greg said.

AMD provides an annual audit for the council as well as carrying out specialist services associated with internal controls, financial reviews and compliance with statutory requirements.

"They assist us in keeping in front of the game in terms of high quality financial advice and good governance for the council," Greg said.

"AMD is a respected local accounting firm with a high standing in the community. Partner Tim Partridge provides much of our financial advice and Shaun O'Callaghan is highly respected – because he's a CATS supporter."

Sport is an important element in promoting a healthy community and the council is carrying out major upgrades to support athletics, football, soccer and cricket.

A new \$3.6m regional athletics track at Hay Park is due to open in May next year and a \$700,000 turf playing field for soccer and rugby is in this year's budget, along with funds for upgrading the cricket facilities at Forrest Park.

"Council attracts funds to support sporting clubs so that people play sport," Greg said.

"We also need first class sporting facilities to attract national and international sporting events. Lots of our facilities have a role beyond Bunbury and they are enjoyed by many people from throughout the South West."



BCC CEO Greg Trevasakis

In The Office

NEW ARRIVALS

AMD Bunbury Office

Shannon Nedselsky

AMD Mandurah Office

Roslyn Dutcak

Robyn Flett

ENGAGEMENTS

- Dylan Harper from AMD to Jasmine Melville on October 17, 2009.

- Alicia Garces from AMD to Chad Roberts on November 1, 2009.



Tax Talk

Important Tax Issues that may affect you

- The tax break (Investment Allowance) for depreciable plant and equipment for Small Business entities finishes on December 31, 2009. Purchase, or a firm order for purchase, with delivery by December 31, 2010 must be made by December 31, 2009. For a construction project, a deposit at least must be made for a contract in place by December 31, 2009. Specific conditions apply, please contact us for details.
 - Distributions by trusts to companies to attract the company tax rate are currently under review by the Australian Taxation Office (ATO). Leading tax bodies have made submissions against the ATO proposal and the issue is being considered at present. It is very serious and if adopted will be retrospective with potentially large tax consequences where such distributions have been made. Leading tax commentators consider the proposal to be contrary to existing law and precedent.
 - The ATO is challenging capital distributions by trusts to beneficiaries, deeming them to be ineffective, and pursuing the *Bamford case* through the courts. The *Bamford case* has been decided generally in favour of taxpayers, however it is on appeal to the High Court. It has the potential to have all capital gains taxed in trusts rather than individual's names, thereby losing all capital gains tax free small business concessions. This may also so be applied retrospectively if the ATO is successful.
 - Tax concessions (Section 23 AG Concessions) for Australians working overseas have been removed from July 1, 2009. Taxpayers in this situation now need to be paying full Australian tax on their overseas employment income, in Australia on a Pay As You Go basis.
 - Superannuation concessional (tax deductible) caps have been halved from July 1, 2009 to \$50,000 each for 50-year-olds and over and \$25,000 for 18 to 49-year-olds. Non-deductible caps and rules have not changed.
 - Individuals earning \$250,000 will no longer be able to offset losses earned from other loss making business activities, typically farms and vineyards, from July 1, 2009. Losses are quarantined to be offset against future taxable income derived by the loss making activity. Investment property losses are not affected. Loss making businesses in companies and trusts are not affected.
 - Private assets owned in companies and used by directors/shareholders and associates will be taxed as a fringe benefit from July 1, 2009.
 - Earnout provisions on the sale of business contracts can have a significantly detrimental tax effect if not properly structured. Outcomes include potential loss of all tax free concessions on the earnout amount received.
- Please contact us for advice regarding each of these matters as they apply to you.



Peter Manolas CPA, M.Tax, B.Bus (distinction), FTIA

The information provided herein is for information only; it is not advice and cannot be relied upon as advice by readers. Please contact us to discuss your specific tax situation.

*Peter Manolas
Taxation Partner*



AMD's Harry Kim continues to demonstrate his expertise in the martial art of Taekwondo by once again being selected to represent Australia in the national team.

Harry competed in Poomsae (set routines) at the World Championships held in Cairo, Egypt between November 30 and December 2 and came home with a world ranking of 33. In Egypt he took time out for this picture which shows him practising a side kick on the steps of Pharaoh Khufu's pyramid which is the largest in Egypt. Well done Harry!

Staff in Surf to Surf fun

Three of the 600 plus competitors in this year's Surf To Surf Fun Run held on Sunday October 18 were from AMD and one was from Integralife.

Well done to Stuart Fricker (0:46:51), Tim Partridge (0:48:09), Brian Castleau (0:49:28) and Andrea Harris (0:49:35) who all took part in the 10 kilometre run and recorded great times!

Fast lane for Geotech Soil & Aggregate Laboratory

Geotech owners Steve and Denise Pederick are proud that their Bunbury company has been recognised as the 30th fastest growing company in Australia.

Geotech was ranked as the fastest growing Western Australian construction company and the second fastest in the Australian construction industry.

The BRW Fast 100 ranks companies with up to 200 staff according to their average annual turnover growth during the past three years.

Congratulations to Steve, Denise and their family together with Contracts Manager Malcolm White for their outstanding achievements.

If I only had a handlebar moustache... for November

Top lips were bristling in all directions when AMD Accountants Tasman Nolan, Martyn Foster, Scott McDougall, Steven Florance and David Shinner joined November. As well as raising awareness about prostate cancer and depression, the team from AMD raised a total of \$1,293.10 towards these men's health issues...and they had fun doing it!



■ Team Profiles

Rebecca Broad

Rebecca commenced her career with AMD in January 2007 as an assistant in our Audit division. She is currently completing her Bachelor of Business at Edith Cowan University in Bunbury majoring in Accounting. Rebecca is studying part time for the remainder of her degree, gaining experience at AMD within her field of study. She plans to become a Chartered Accountant after completing her Bachelor of Business degree.



Our Services

Comprehensive services, tailored to the unique needs of each client include:

- Accounting and Compliance
- Audit and Assurance
- Bookkeeping
- Business Services
- Corporate Services
- Financial Planning
- Superannuation
- Taxation



Edwin Zhuang

Edwin joined AMD seeking accounting practice experience in January 2008. He is currently finishing a Bachelor of Business majoring in Accounting and Public Practice at Edith Cowan University in Bunbury. Edwin has been working with the Business Services team since he joined the firm. He is acquiring practical skills while helping with various roles in the firm. Edwin's Chinese background may attract more business opportunity in the future.

Lynn Stringer

Lynn joined AMD as a Bookkeeper in January 2007, bringing valuable skills she gained in previous years working in banking and finance, both in Bunbury and overseas. Lynn is a member of the Institute of Certified Bookkeepers and her main claim to fame is being awarded the 2009 AMD Socialite prize. Lynn is originally from Yorkshire in the UK and moved to Bunbury in 1982. She is married and has two adult children. Lynn enjoys walking and is planning a trip to the UK to walk from coast to coast.



Alicia Garces, B.Econ

Alicia joined AMD in March 2008 after completing a Bachelor of Economics, majoring in Economics & Business Management at the University of Fort Hare in South Africa. To date, Alicia has worked with the taxation and compliance team, assisting with matters for a broad cross section of clients. Her background and experience gained since joining AMD has provided Alicia with a good working knowledge of taxation issues. Alicia intends to complete her CPA while working at AMD.



Our Style

- Developing strong relationships with our clients
- Endeavouring always to provide a high quality of service
- Providing leadership in our profession and in the business community
- Working as a team to ensure that we deliver the very best

Quotable Quips

"A man who wants to lead the orchestra must turn his back on the crowd." – James Crook

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