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## GENEVA INTERNATIONAL – SUPPORT FOR LOCAL CLIENTS



## THANK YOU

CLIENTS & COLLEAGUES,  
YOUR VOTES &  
ENDORSEMENT HAVE  
SEEN US RECEIVE THREE  
BRW CLIENT CHOICE  
AWARDS 2011.

**lawler**   
partners chartered  
accountants



## Welcome to the Autumn Edition of LawlerLink

# Welcome

### Thank you to all our clients and professional colleagues!

Because of your votes we were recognised as winners at the recent **BRW Client Choice Awards 2011** in the following categories:

- **Best National Professional Services Firm**  
(revenue under \$50M)
- **Best National Accountancy Firm**  
(revenue under \$50M)
- **Best New South Wales Professional Services Firm.**

Winning these prestigious awards is a tremendous achievement for us, as the Awards are determined entirely on client and colleague feedback and not by a formal panel of judges. We will not rest on this achievement however, and will always endeavour to look for ways to improve on our service promise to our clients and colleagues.

### So how do the first quarter economic conditions look for business?

As a consequence of the natural disasters that have plagued Eastern Australia, and the bushfires in Western Australia, we are seeing a blow to economic activity, at least to this first quarter of 2011. Although we are likely to experience a downturn in current activity as a consequence of the recent natural disasters, the rebuilding effort will further stimulate the economy and, combined with the growth introduced through extraordinarily high terms of trade and normal activities, we should see GDP continue to be at levels above our long term trend for the next few years.

To better assist and service clients with growth and expansion, we had been seeking a new affiliation that offered greater opportunities and would better meet the needs of clients dealing with overseas markets. I am pleased to announce that Lawler Partners, Lawler Draper Dillon and Lawler Hacketts have been approved as member firms of the Geneva Group International. In addition to us being able to better service clients by offering them a combination of global resources, business expertise and local market knowledge, we will now also be able to share technical knowledge, practice management procedures and experiences with professionals from all over the world. You can read more about the Geneva Group and its benefits on page 10.

In other news, we have established our dedicated Corporate Finance team of professionals in both Sydney and Newcastle who can add value to clients and professional colleagues seeking expertise in the corporate advisory space. Lawler Corporate Finance can assist with commercial due diligence,

strategic advice, business valuation, mergers & acquisitions, capital raising assistance and financial management services to organisations in these stage of their business life cycle.

We also launched our Finance Professionals Network on St Patricks Day in Newcastle with special guest, comedian Jimeoin. The concept for this new professional development program to support finance professionals has grown out of our client's needs for a commercially focussed training and networking initiative for their CFO's, aspiring CFO's, Company Accountants and Finance Managers in the Hunter region. More information about the network and photos from the launch are on page 4.

### Community partnerships are important to us and we take tremendous pride in giving back to the communities in which we live and work.

In conjunction with our member firms Lawler Draper Dillon and Lawler Hacketts we were delighted to be the honorary Official Auditor of the CHOICE Awards 2011 held in Sydney on March 31. These awards highlight the very best in goods and services, giving a trusted and independent voice for Australian consumers.

This was the second year that Lawler Partners sponsored the Westpac Rescue Helicopter Charity Ball on March 26 on the Central Coast. Because of community fundraising events such as this, no one has ever paid to be assisted by the Rescue Helicopter and we were delighted to again be part of this great event.

I would also like to acknowledge our people here at Lawler Partners for the financial support they provided to the Flood Appeal. Together, we were able to raise over \$14,000 and we extend our sympathies to all those clients and colleagues in the Queensland and Victorian communities that lost loved ones, friends, businesses and properties.

As part of our commitment to the environment you will notice that your copy of LawlerLink is printed on environmentally friendly paper stock. We have now been approved to use the National Carbon Offset Standard consumer logo and will be moving all our communications material across to carbon neutral paper in the coming months.

Finally, I would like to acknowledge our Star Employee of the Quarter, Jake Elliott, out of the Sydney Business Recovery and Insolvency team in recognition of the investment of his own time in nurturing staff within his team.

Warm Regards

**Steve Meyn**  
Managing Director

# Employee Remuneration

**With the Fringe Benefits Tax (FBT) year coming to an end on 31 March, it is timely to consider both the gathering of data to report past Fringe Benefits for the last year, and to consider the effectiveness of salary packaging and employee remuneration moving forward.**

We advocate the use of a total remuneration package approach when valuing an employee's package. The advantages of this approach are that the total costs and benefits of employment are considered at the time of employee performance reviews and for budgeting purposes.

Due to recent changes to the taxation of overseas employees, there have also been changes to the taxation of Fringe Benefits provided to such employees that should be considered.

## Total remuneration approach

Salary packaging is a commonly used tool to effectively manage the tax an employee pays as part of their remuneration. This will usually involve the employee forgoing part of their future entitlement to salary or wages in return for their employer providing them with non-cash benefits of a similar value.

Common benefits that are sacrificed include cars, property, and expense payments such as loan repayments, school fees and child care costs.

As an employer, it is prudent that the FBT cost is considered when putting together employee's salary package components. The most common way to ensure this cost is included is by using a top down approach to setting the package. This involves setting an employee's total remuneration package amount. The total package is inclusive of the dollar value of non-cash benefits, the actual FBT cost and Superannuation contributions. The wages component will be the difference between the total remuneration package amount and the sum of the preceding items.

As Fringe Benefits are usually estimated at the start of a year, the actual outcome can be different at the time of the preparation of the FBT return. As a result, we advocate the use of written agreements that contain a rise and fall clause. Under these clauses, if the value of benefits (and the resulting FBT) ends up being greater than the estimate, the excess is able to be offset against subsequent wages of the employee. If the actual liability is less than the estimate, the shortfall can be paid as extra wages. The end result is that the employee's remuneration is effectively fixed to the agreed total remuneration amount.



Doing this will ensure that as an employer, you will not be unnecessarily out of pocket in respect of FBT arising from the provision of non-cash benefits.

## Are you across your responsibilities for Australian employees working abroad?

**In the 2010 federal budget, the government announced that effective from 1 July 2009 foreign employment income of most Australians working overseas was no longer exempt from Australian income tax.**

Previously, this income was excluded from Australian income tax.

This change also had the effect of bringing these overseas based Australian employees into the FBT base for the first time. This means that when looking at your FBT reporting, you will now need to incorporate the provision of non-cash benefits to your overseas based employees such as the provision of housing, cars, expense payments and the like.

These benefits will need to be included together with any other benefits provided to your domestically based employees.

**If you wish to discuss any of the above issues and the potential impact on your business, please contact Darren Shone on (02) 4962 2688 or via [dshone@lawlerpartners.com.au](mailto:dshone@lawlerpartners.com.au)**

# New Development Programme for Finance Professionals

In today's rapidly changing business environment, the role of a finance professional goes well beyond accounting and has evolved to not only include compliance, but more importantly, that of a strategic partner and advisor. Many finance professionals will be called upon to wear multiple hats - from effectively working with their Board of Directors and other stakeholders to identifying and assessing profitable business ventures, establishing partnerships and alliances and determining strategic growth strategies.

Without easy access to professional development and training, CFO's, aspiring CFO's and Finance Managers find it increasingly demanding to balance their conflicting strategic and operational responsibilities. That's where the Lawler Partners Finance Professionals Network can add value.

The Finance Professionals Network will offer the Hunter and Central Coast a locally based relevant educational programme that aims to support qualified finance professionals in commerce so they no longer need to travel to Sydney for all their professional development. During March, we launched the initiative at a special St Patricks Day event with comedian, Jimeoin.

With half day interactive workshops that are technically based and commercially oriented, the quarterly held sessions will also include a networking lunch. The first half day session is on May 19 and will cover how to implement Rolling Quarterly Forecasting to take your business to another level of performance. Quarterly Rolling Forecasting is now used by 60% of corporate businesses in Australia and the session will be presented by national expert in this area, John Petty. John speaks regularly at conferences to the Institute of Chartered Accountants, Certified Practising Accountants and is a lecturer at the University of Technology, Sydney. In addition to this session we will also include a presentation on corporate structuring in a tax effective way in light of recent changes.

The new 2011 Finance Professionals Network programme aims to minimise the time that finance professionals are away from their office, giving them an opportunity to hear from experts in their field, whilst also allowing them to earn valuable CPE hours.

**For a full outline of this year's programme or to register, visit [www.lawlerpartners.com.au/fpn](http://www.lawlerpartners.com.au/fpn) or contact Lawler Partners CFO, David King on 02 4962 2688.**

■ **Launch Event Evening: First:** from left Kristy Gray (Kentan Machinery), Lynette Stead (Bearing Dynamics), Simone Markey (Markey Group), Sharon Rewitt (HMRI) & Anna Starrett (Specialised Wholesale & Plastics) **Second:** from left David King, Phil Smith (Hunter Financial Planning), David Franze & Kelly Wood (Hudson) & Mark Arnold (Lawler Financial Services). **Third:** Terry Lawler & Jimeoin **Fourth:** from left Hamid Arain & Brett Edwards (GMAC Financial Services) with James Hodgeson (NAB) **Fifth:** Jimeoin & Steve Meyn.



# Risk Management - why your Hospitality venue needs it

**Risk management is integral to the strategic planning of your hospitality business and the fundamental protection of your assets. It is a relatively straightforward process that needs to be embraced and promoted within your Club and to the community. To do otherwise, is to unnecessarily jeopardise the Club, its business, its vision and constitutional charter, plus put your own personal financial security at risk.**

Put simply, a risk is a deviation from the expected. It can be a negative or a positive chance of something happening that will have an impact on a Club's objectives and viability.

Risk management is the coordinated activities that direct and control a Club's operations aimed at reducing the impact of risks.

## Benefits of a structured risk management process

You will find those Clubs that have a structured risk management approach to their business planning and the operation of their Club have the following:

- An improved likelihood of meeting their commercial objectives
- An ability to reduce the impact of any potential negative occurrence
- A greater chance of identifying opportunities for exploitation
- Better social, recreational and community outcomes for members
- Improved safety records
- Lower costs
- Improved management performance
- Improved compliance with the law and regulations
- Reduced exposure for the Club and Directors personally
- Enhanced brand image and reputation.

## The challenge for Club Directors

The Board has the ultimate responsibility for addressing risk.

Club Directors are expected to be entrepreneurs and ensure that their facility prospers and grows its business. However, on the other hand, they also occupy a position of trust and need to ensure their member's assets are protected.

Therefore, Directors have a legal fiduciary duty to the Club and its members to exercise a professional structured approach to decision making, strategic planning and risk management. The need for this is twofold; to protect the Club, but also, to avoid personal liability.

## The risk management process

A structured risk management process can be applied to a wide range of business and club related operations.

Typically, the areas covered will include:

### 1. The definition and measurement of risk

- Risk is often misunderstood as a one dimensional component, for example, an OH&S programme.
- On the other extreme, it can be misconstrued as something to be feared, like taking on a sky dive for the very first time.
- Like anything, if you are not prepared for a particular event or an outcome, then the consequences can be far more devastating than had you been forewarned of the possibility of mishap, having contingency options in place.

### 2. Establishing how risk applies to your Club and to what level

- A risk management process can be applied to any part, or all of your Club - and at varying levels.
- There is strategic risk, operational risk, financial risk, legal risk, technical risk and regulatory risk. There are even personal risks that can apply to a Club Director in not carrying out their duties with the skill and care expected.

- The key will be to understand where there is real exposure, what the measurement criteria will include and therefore where best to apply a structured risk management process ("a backup system") should a certain contingency arise.

### 3. Customising the risk assessment process

- Once the potential exposure is identified and quantified, then a customised review should be undertaken of what is necessary to minimise the potentially harmful variables, and at the same time, protect the essential drivers of the Club's business.

- This application is not only for the current state of affairs but, more importantly, for the protection of future earnings.

### 4. Embracing this process is an integral part of the Club's culture and governance procedures

- Effective communication and stakeholder commitment is vital to the successful implementation of a risk management programme.

### 5. Delivering a risk management plan

- Developing, communicating and implementing a risk management plan that will minimise risk and allow for possible contingencies.

### 6. Evaluating your risk management plan

- Ongoing monitoring, reassessment and education.

Lawler Partners Hospitality & Gaming Team have applied this process to scores of Registered Clubs across NSW to provide confidence and comfort and to minimise the impact of any potential negative outcome.

**Contact Lawler Partners' Hospitality specialists, John Tully via [jtully@lawlerpartners.com.au](mailto:jtully@lawlerpartners.com.au) or Peter McLean via [pmclean@lawlerpartners.com.au](mailto:pmclean@lawlerpartners.com.au) for further information.**

# Happenings

## Jessica Watson Luncheon

Queensland teenage sailor and Young Australian of the Year 2011 recipient Jessica Watson, joined Lawler Chartered Accountants member firm representatives and professional colleagues for a recent boardroom luncheon in our Sydney office.

Jessica talked about her solo round-the-world trip and detailed the extensive preparation she and her team made for the big voyage and the battles she fought along the way. Jessica is pictured with Steve Meyn (right).



## Sydney BBQ Silent Auction

Thank you to the clients who attended our Sydney Aussie BBQ and bid on the QLD State of Origin Jumper signed by league legends, Arthur Beetson, Trevor Gillmeister and Kerry Boustead.

The funds raised from the auction went to the QLD Flood Fund with \$450.00 being banked into the Premier's Disaster Relief Appeal. Pictured is the winning bidder, Malcolm Quirey (Piper Alderman) with John Vouris and Bob Bell.



# New Appointments

## Matt Prentice

Matt joins the Sydney Business Advisory Services team in the role of Senior Manager where he has over 10 years experience in providing consulting and compliance assistance to small to medium sized businesses.

He has experience across a number of industries, including the motor vehicle industry, construction, and retail sectors. Matt also has expertise in providing advice to high net worth individuals, where he has considerable knowledge in advising high profile sporting individuals and Australian and overseas based entertainers.

Matt's strength is in his ability to implement and set up a wide variety of tax structures to help businesses not only perform their day to day operations, but also to help with their strategic and long term growth.



## Chris Isles

We welcome Chris as a Manager in the Newcastle Business Advisory Services team where he provides advice to clients in the specialist areas of taxation planning and consulting, business succession strategies and SME structuring for growth and profit improvement.

Chris' background is diverse and includes over 9 years experience working in both metropolitan and regional public practice. In addition, he has first hand commercial knowledge of the challenges facing foreign owned subsidiaries in relation to setting up operations in Asia.

Chris' industry specialisations include pharmacy, manufacturing and entertainment & gaming.



# Sydney and Newcastle Aussie BBQ functions

Lawler Partners celebrated the start of the New Year with clients and professional colleagues at our Sydney and Newcastle Aussie BBQ functions.



■ **Top left:** Diane & Greg McCaffery (Tomago Aluminium) with Darren Shone **Top right:** John Vouris with Michael Garvin, Vivian Evans & Joseph Antoun (Uther, Webster & Evans) **Second left:** Fiona Strykowski with Don McDougall (Don McDougall Law) & David Sylvester (Sylvester & Browne Lawyers) **Second right:** Terry Lawler & Anthony Saddington (Saddington's Building Supplies) **Third left:** Steve Meyn welcomes clients at Fort Scratchley, Newcastle **Fourth right:** Dennis Lambert & Darren Sullivan (Austpower Engineering) with Tim Osborn (Osborn Jensen) **Bottom left:** Jacki Cole (van Eyk) with David Creais (Bartier Perry Solicitors).

# Planning for Peace of Mind

## Why should businesses bother to plan when things can go so pear-shaped?

Even if you didn't face a natural disaster, your business may still feel cash-poor as the first quarter of 2011 unfolds.

As advisors, we say to clients that planning is always important, particularly in the run up to Christmas and into January.

So if you've planned well, you will be in better shape to face the unexpected.

For instance, we all work less in January and February, and that's when our customers also go on holidays. This impacts revenue earned over these two months; it's no surprise that many businesses are cash strapped.

Most staff take holidays during this time, which means that there are less people producing income, but the business still has to pay bills plus the annual leave entitlements.

However, just because everyone has a break, doesn't mean your business can rest; direct and indirect costs continue, such as rent, utilities and overheads.

And with floods, fires and cyclones on top, your business may face a short-term hole in revenue. Maybe your suppliers aren't back to normal yet, and your customers just aren't buying.

The point is: business planning is everything. You need to be ultra clear about your business direction right now.

If you're inadequately insured, and in a flood or cyclone zone, there are extra costs to consider, such as the clean up and restoration of the business operation or you may be affected indirectly, such as a power cut which means you're locked out of your premises for a week or more (this was common in regional centres and the Brisbane CBD). Many business owners weren't prepared for that either. You need to focus on the numbers, and be prepared to take advice.

The recent Dunn & Bradstreet quarterly survey clearly shows that businesses across the country on average are taking longer to pay their debts than in previous quarters, and that the time taken for businesses to settle their debts remains at historically high levels.

Businesses must ensure that they have enough cash reserves to continue paying the rent, continue paying suppliers and most importantly, to continue paying staff.

The first step is to prepare a cash flow forecast for your business for the next six months.

For most owners, their long term goal is to make money. You must plan on how you are going to do this – that's where you need to budget for 12 months, and also try to look at a broader projection for say, two years or more.

This can be done as simply as on an Excel spreadsheet or you can purchase complex budgeting tools and cash flow programs that can help you prepare these budgets.

Some of the items to include in the budget are;

- The business's opening cash balance.
- The expected business's monthly income.
- The expected business's fixed costs such as rent. Fixed costs are those costs that you still will have to pay even if the business does not open its doors.
- The expected business variable costs, such as wages, inventory, supplier costs.
- Whether the business is planning on purchasing any capital commitments or to lease any plant and machinery or office equipment, this needs to be budgeted for.

- Make sure all loan repayments are included in the budget. If you are able to make additional loan repayments on top of the minimum to reduce your interest costs and to repay the loan faster this always helps in the longer term.
- Don't forget your quarterly and annual tax commitments, such as Activity Statement payments, GST and Income Tax payments.

If you invest time in preparing and planning your budget, and ensure you have included all scenarios, then it will help your business.

Consumer spending is likely to remain soft going forward, so look at your indicators in terms of sales, margins and profits on a regular short term basis.

The key action is to compare what you have budgeted for against the actual results for the month.

You also need to consider a buffer because sometimes planning isn't enough; the unexpected can happen as we have seen, and you need to have reserves.

**For further information talk to your Client Relationship Manager.**

### Five top tips for Peace of Mind

- 1. PLAN**  
for all scenarios
- 2. EMBRACE**  
the unexpected
- 3. ANALYSE**  
your key indicators and costs
- 4. CONTINGENCY**  
ensure you have a buffer
- 5. EXAMINE**  
your situation regularly to know your plan is still relevant!

# Mistralpar Oceania – bringing the best of Brazilian footwear to Australia

Through its operations in Australia, the Brazilian organisation of Mistralpar is bringing the best of Brazil to Oceania. Their focus is to represent Brazilian products in new markets, through the spread of multiple franchises.



Mistralpar Oceania Pty Ltd act as a bridge to businesses in Brazil, identifying opportunities, enabling ideas and creating a flow of business between the two continents.

The first of these brands is **Via Uno** footwear, one of the largest fashion footwear and accessories enterprises in Brazil with 270 stores around the globe.

They are employing the same secrets of success in their Australian expansion of the brand, selling women's shoes primarily (85 percent of their product range), combined with other Brazilian leather accessories such as bags, purses and a collection of jewellery. Their commitment to investment in product development and fashion design ensures they are always in tune with new trends and has guaranteed their success in over 100 countries worldwide.

In 2010 Mistralpar launched four footwear stores of the Via Uno franchise in Sydney with 22 employees and now have big plans to open more stores between Sydney and Melbourne. According to Eduardo Silva, Director of Mistralpar Oceania, the choice of location is strategic.

"We wanted to have stores at major shopping centres that would cover all corners of Sydney. Demographic areas with good disposable income streams and where there have been signs of strong growth and development were top of our list. We chose two major Westfield centres (City and Miranda) and two well known centres on the North Side of Sydney (Castle Towers and Macquarie Centre)".

When asked about their strength in the retail fashion shoe market, Eduardo believes it is the combination between having a great product and personal service.

"The retail industry in Australia is a very competitive market, in particular the women shoes sector. However, we believe that there is a niche within a niche, where women expect a high level of customer service and products that are well made, trendy and comfortable, at a competitive price point compared to what's offered. We currently have return customer ratings of over 60%, proving the brand is highly desirable for women that have already purchased from us."

Mistralpar Oceania are clients of Nicholas Falzon and the Sydney Business Advisory Services team where Nicholas has added value since the very early stages of their business.

"Nick's expertise and service has been instrumental in getting us ready to launch the concept right from the embryonic stages when it was just an idea. He has helped us set up our company structure, including shareholder agreements and equity loans and broadened our understanding of Australian rules, regulations and accounting frameworks", commented Eduardo.

“  
Nick's expertise and service  
has been instrumental in  
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it was just an idea.”

Expanding the Via Uno business in Sydney and other states is high on the agenda, however, Eduardo and his Partners are looking further afield for new business opportunities for the holding company that eventually will be part of their operations.

"We currently have a few exciting new brands and fashion labels being prospected overseas. We see a great future ahead of us and with the right team and product, we hope to be one of the major players in the Australian market place." he said.

For information visit  
[www.mistralpar.com.br/en/mistralparoceania](http://www.mistralpar.com.br/en/mistralparoceania)





# International Support When Dealing with Overseas Markets

## Geneva Group International

Increasingly, throughout 2010 we were seeing our clients entering overseas markets who required understanding around local legal and fiscal differences. To this end we had been seeking a new international affiliation that would better meet the growing needs of both large and small companies.

To meet this need and to provide a better service to our clients, Lawler Partners and our Lawler Alliance partners Lawler Draper Dillon, Melbourne and Lawler Hacketts, Brisbane and Rockhampton sought to become approved member firms of the **Geneva Group International (GGI)**.

The Geneva Group is one of the world's leading international organisations of independent law, accounting, audit and consulting firms with more than 500 offices in 80 countries around the world. All member firms are locally based firms, indigenous to their areas. As a result, they have strong ties to their business communities, advising clients of the area's political context and offering firsthand information

about the local landscape. The London based Accountancy Magazine, as well as Accountancy Age, have ranked GGI as the 6<sup>th</sup> largest accounting network worldwide.

According to Michael Reiss von Filski, Chief Executive Officer of GGI, "All our member firms are carefully selected in order to ensure personalised high quality services. It is also of utmost importance to have member firms that are leaders in their respective markets. To date we have found no other firms better suited in Australia than those in the Lawler group. In fact, we are very proud of counting them amongst our members."

**For further information on Geneva Group International visit [www.ggi.com](http://www.ggi.com) or to discuss how this international affiliation can assist your business, contact your Client Relationship Manager.**



### Some of the ways we have helped clients via our international association:

- Establishing businesses or acquisitions (including finding targets) in other jurisdictions and providing advice on structure and due diligence considerations.
- Managing repatriation of funds, funding and taxation matters between countries.
- Providing audit and advisory services for clients established or doing business in other countries.

# Self Managed Superannuation Fund Strategies

A Self Managed Superannuation Fund (SMSF) Will is the key document to deliver on the passing of super in the event of the death of a member.

## SMSF Estate Planning

For a number of our clients, their superannuation benefits form the largest part of their estate. With recent changes to the taxation and superannuation laws allowing the passing of tax effective wealth between generations via a SMSF, estate planning in a SMSF is now an important and crucial area to be considered by all members and trustees of a fund.

In addition to a raft of new strategies, a continuing development in SMSF estate planning is the Non Lapsing Binding Death Benefit Nomination or "SMSF Will".

## SMSFs outside a person's Will

Many clients are surprised to find that their Will is completely ineffective when it comes to disposing of their superannuation benefits on their death. They wrongly assume that because they have made provision for the passing of their superannuation benefits in their Will that this will happen.

This can have dramatic consequences as was seen in the case of **Katz v Grossman [2005] NSWSC 934**. In Katz's case, a member of the fund died with two children – a daughter who was a trustee of the family SMSF and a non member son. The father left \$1M in superannuation benefits with a direction in his Will that all his superannuation assets were to be split between his two children equally. On his death, the remaining trustee – his daughter as trustee – did not take into account his nomination and paid all of the deceased member's benefits to herself. The NSW Supreme Court held that she was entitled to take this action under the fund's trust deed and the Will was ineffective.

## Key SMSF estate planning questions

This is where we get to work. Grab a pen and paper and if possible answer the following questions:

### 1. What is important to you in the event of your death?

This is the best question to get a SMSF estate plan and in particular a SMSF Will started. For couples in a domestic relationship a better question to consider is:

### 2. What is important to you if you and your spouse died together yesterday?

Write down five or six of the most important things and then rank them. What is number one, number two and so on? When developing any estate plan, attention should be paid to the most important things on the list not those that take up number five or six or don't appear at all. If we get this right then we have a great framework to build a SMSF estate plan.

## Four SMSF Estate planning options

There are effectively four ways of looking after your dependants or others from a SMSF on your death:

1. The trustee may pay a lump sum, by way of cash or assets, from your benefits in the fund to a dependant or the trustee of your estate.
2. The trustee may pay a pension from the fund to a dependant. There can be restrictions on paying pensions to child dependants over age 18. For details of who can be included in the definition of "dependants" please contact us.
3. A reversion of an existing pension which results in the continuation of the pension in the name of the reversionary beneficiary provided they are dependants – again subject to the limitations above.
4. Any insurance proceeds from a life insurance policy held by the trustee in your name may be used to increase the deceased member's benefits.

## The SMSF Will

With the introduction of the Simpler Super laws, the use of a binding nomination is no longer the strategic estate planning tool that it once was. And so the SMSF Will was born which allows:

- A member to maximise the tax efficiency of their SMSF estate leaving specific benefits to dependants, non-dependants and their estate.
- Your executor to take your place as trustee of the fund on your death until your SMSF Will is carried out.
- To pay out specific assets of the funds to beneficiaries, much the same as a specific bequest in a Will.

Our firm has helped to develop and pioneer the SMSF Will, so please do not hesitate to contact us to arrange an appointment to see how some of the latest SMSF estate planning strategies may help you and your family.

**The SMSF Will is the most tax effective way of distributing your superannuation benefits. Contact Superannuation Principal, Mark Geldens, on 02 8346 6000 or via [mgeldens@lawlerpartners.com.au](mailto:mgeldens@lawlerpartners.com.au) to arrange an appointment to learn about how a SMSF Will may suit your specific estate planning needs.**

# PPSA Update - New Commencement Date

In our previous edition of LawlerLink we advised of the scheduled changes to the *Personal Property Securities Act*. These changes will amend existing laws in relation to registering interest in property and have vast implications for businesses.

The register was due to commence operation in May 2011, however, at their meeting on 13 February 2011, the Council of Australian Governments agreed to defer the "go live" date to October 2011. This will allow businesses a little more time to prepare for the changes.

We will be holding a series of information sessions regarding the changes and how they will affect your business in the coming months. Information about the register is available at [www.ppsr.gov.au](http://www.ppsr.gov.au) or alternatively contact our office.

The *Personal Property Securities Regulations 2010* were published on 24 November 2010. Copies can be found on the Com Law website at [www.comlaw.gov.au](http://www.comlaw.gov.au).

Please contact Raymond Roser of our Newcastle Office on (02) 4962 2294 or [rroser@lawlerpartners.com.au](mailto:rroser@lawlerpartners.com.au) should you require further information with regard to the PPSA.

## Tax Diary

### MARCH 2011

- 21** • Due date for lodgement and payment of February 2011 monthly BAS and IAS.
- 31** • End of the 2011 Fringe Benefits Tax (FBT) year.
  - Due date for lodgement of income tax return and payment of tax for company and superannuation fund taxpayers (turnover more than \$2 million) in the latest year lodged.
  - Due date for lodgement of initial NSW Land Tax returns for land held as at 31 December 2010.

### APRIL 2011

- 21** • Due date for lodgement and payment of March 2011 monthly BAS and IAS.
- 28** • Last day for payment of March quarter employee superannuation contributions to avoid liability for the Superannuation Guarantee Charge.
  - Due date for lodgement and payment of March 2011 quarterly BAS and IAS.

### MAY 2011

- 10** • Australian Federal Budget for the 2011-12 year.
- 15** • Due date for lodgement of all income tax returns not required earlier and not eligible for 5 June concessions.
 

NB – 5 June concession is for non-taxable or refund entities in both current and prior year (excluding consolidated groups and/or large/medium taxpayers). The 5 June concession is also for individuals and trusts otherwise due on 15 May provided payment is made upon lodgement of the return.
- 21** • Due date for lodgement and payment of April 2011 monthly BAS and IAS.
- 28** • Due date for lodgement and payment of FBT returns for the FBT year ended 31 March 2011.

## Contacts

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