

Roberts & Morrow Goes for a Gallop *by Geoff Solomon*



Glen Innes Races (left to right): Leanne Dunn, Belinda Turner, Narelle Gilby and Bob Norris

After approaches from the Glen Innes and Deepwater Jockey Clubs Roberts & Morrow became major sponsors of their annual race meetings held in January 2009.

At each meeting we sponsored a major race and entertained clients in our marquee. The meetings were attended by the Partners from our Glen Innes office, Sam Notley and Jane Newsome, together with our Chief Executive Officer, Geoff Solomon, and at Deepwater they were joined by Partners from Armidale, Karen Tromp, Will Warrick and Kyle Pearson.

Roberts & Morrow believes that the sponsorship of events which are popular in local communities is a vital part of our firm's commitment to those communities.

Each race meeting was a huge success and we congratulate the organisers in both towns.

Fuel Tax Credit Rate Change

There has been a change to the fuel tax credit rate for fuel used in heavy vehicles travelling on a public road. A heavy vehicle is defined as having a gross vehicle mass (GVM) greater than 4.5 tonne. Diesel vehicles acquired before 1 July 2006 can equal 4.5 GVM tonne. The rate to use when calculating claims will depend on when the fuel was acquired.

- For fuel acquired from 1 January 2009 use the new rate of 17.143 cents per litre
- For fuel acquired before 1 January 2009 use the old rate of 18.51 cents per litre

This change is due to an increase in the road user charge which then decreases the fuel tax credit rate. For more information on fuel tax credits visit www.ato.gov.au/fuelschemes (the source of this article).

Inside this issue:

Education Tax Refund - Update	2
Self Funded Retirees – Do You Now Qualify For The Age Pension?	2
Temporary Investment Allowance	3
MBF Demutualisation – Non-Taxable	3
Roberts & Morrow Employees Receive Australian Defence Medals	4
Camp Quality Fundraising	4

Office Refurbishments Opening Function *by Geoff Solomon*

On 27 February, a clear summer's evening, Roberts & Morrow held the official opening of its refurbished main office premises at 137 Beardy Street, Armidale and the opening of its new premises at 122 Beardy Street, Armidale which houses the offices of Roberts & Morrow Financial Services.

The function was attended by local dignitaries and prominent business people together with Partners, staff and clients of the firm. Guests of honour were the founders of the modern Roberts & Morrow, Jack Morrow and Don Roberts, who addressed the gathering on the history of how the firm came to move to 137 Beardy Street.

When speaking before officially opening the refurbishments and new building, the Honourable Richard Torbay, Member for Northern Tablelands and Speaker of the Legislative Assembly of NSW, congratulated



Pictured above (left to right): Don Roberts, Jack Morrow and Richard Torbay

the firm on its initiative and capital investment in the Armidale community and its demonstration of the firm's commitment to the New England region.

The refurbishment and new buildings will provide office space for the firm for many years to come.

Self Funded Retirees – Do You Now Qualify For The Age Pension? *by Will Warrick*

None of us need to be reminded of the horrendous losses that superannuation funds and personal investment portfolios have suffered in the last 15 months. In some cases ASX investments such as listed property trusts have lost up to 90% of their value and even the prices of blue chip shares have declined by more than 50%.

However one possible bright spot amongst this carnage is that independent retirees of age pension age who have not in the past qualified for the Age Pension may now be able to do so.

In the past many retirees have been disqualified from the Age Pension by the assets test (the income test can also cause its share of problems for some – but mainly those with significant incomes including government superannuation pensions or private annuities). However with retirees' assets being so badly depleted in this latest downturn it may be time for each to review their situation.

So, retirees should:

- Spend some time calculating the current values of their investment portfolios, superannuation funds, any rural / investment land and property holdings, and gifted assets. Include an allowance for personal assets (cars, contents, boat, caravan, etc).
- Total these amounts.
- Then compare this total against the permitted maximum level of assets - \$873,500 combined for couples and \$550,500 for singles (homeowners in both instances).
- If this comparison stacks up then come and see us to identify suitable strategies to help you qualify.

Remember that even a small age pension qualifies the recipient for the full range of valuable ancillary benefits AND there may also be a lump sum payment in arrears for the Pension Bonus Scheme for newly qualified Age Pension recipients aged up to 75.

Education Tax Refund – Update *by Jeff Cristani*

As reported in a previous newsletter, the federal government announced that eligible parents will be able to claim a refund of up to \$375 for each eligible primary school student and \$750 for each eligible secondary school student.

Eligibility:

Any family entitled to receive family tax benefit part A - you can check your eligibility at www.familyassist.gov.au or by phoning 13 16 50.

Eligible Expenses:

- ✓ laptop computers, home computers and associated costs - including repair and running costs of computer equipment
- ✓ computer-related equipment such as printers, USB flash drives, as well as disability aids to assist in the use of computer equipment for students with special needs
- ✓ home internet connections - including establishment and maintenance costs
- ✓ educational computer software



- ✓ word processing, spreadsheet, database and presentation software
- ✓ internet filters and antivirus software
- ✓ school textbooks and other paper based school learning material - including prescribed textbooks, associated learning materials, study guides and stationery, for example pencils, pens, compasses and glue
- ✓ prescribed trade tools

Non- Eligible Expenses:

- ✗ school fees
- ✗ school uniform expenses

- ✗ student attendance at school-based extra-curricular activities such as excursions
- ✗ tutoring costs
- ✗ musical instruments
- ✗ sporting equipment
- ✗ school subject levies – for example, payment for consumables for particular subjects such as woodwork, art or home science
- ✗ computer games and consoles

The Education Tax Refund can be claimed as part of your 2009 income tax return, but to claim eligible expenses you must keep your receipts to substantiate your claim.

If your expenses exceed the maximum amount claimable for the year, you can carry forward the excess from one year to the next.

If you are not required to lodge a tax return you can still claim your expenses by downloading a form from the ATO website (www.ato.gov.au).

Temporary Investment Allowance *by Karina Gill*

The Rudd Government has announced a temporary tax break for businesses as part of the \$42 billion stimulus package. The tax bonus will apply to new assets used in carrying on a business excluding intangibles, land and trading stock.

Businesses with a turnover of \$2 million or less can claim a 30 per cent tax deduction for eligible assets costing \$1,000 or more when acquired from 13 December 2008 to 30 June 2009, and are installed for use by 30 June 2010.

For eligible assets costing \$1,000 or more that are acquired from 1 July 2009 to 31 December 2009, a 10 per cent tax deduction can be claimed where the assets are installed for use by 31 December 2010.



Businesses with a turnover greater than \$2 million will receive the same tax deductions for eligible assets costing \$10,000 or more.

The deduction is claimable in the income year in which the asset is installed ready for use.

Examples:

- A small business that buys and installs a \$2,000 computer before the end of June 2009 can claim an additional \$600 deduction in its 2008/09 tax return
- if purchased before 30 June 2009 but installed between 1 July 2009 and 30 June 2010 the deduction claimable in its 2009/10 tax return will be \$600
- if purchased between 1 July 2009 and 31 December 2009 and installed before 30

June 2010 the deduction claimable in its 2009/10 tax return will be \$200

- if purchased between 1 July 2009 and 31 December 2009 but installed between 1 July 2010 and 31 December 2010 the deduction claimable in its 2010/11 tax return will be \$200
- A business that buys and takes possession of a \$60,000 backhoe by the end of June 2009 can claim an additional \$18,000 deduction in its 2008/09 tax return
- if purchased before 30 June 2009 but installed between 1 July 2009 and 30 June 2010 the deduction claimable in its 2009/10 tax return will be \$18,000
- if purchased between 1 July 2009 and 31 December 2009 and installed before 30 June 2010 the deduction claimable in its 2009/10 tax return will be \$6,000
- if purchased between 1 July 2009 and 31 December 2009 but installed between 1 July 2010 and 31 December 2010 the deduction claimable in its 2010/11 tax return will be \$6,000

The tax deductions are additional to depreciation claimable on the assets. The additional deductions do not reduce the cost of an asset for depreciation purposes.

Please call us if you would like more information on how your business can take advantage of this bonus tax deduction and/or contact Roberts & Morrow Financial Services to enquire about equipment finance. It is important to consider the capital structure of your business as well as cash flow requirements before making capital acquisitions.

The Temporary Investment Allowance was only draft legislation at the time this article was written so changes may be made to the final legislation.



MBF Demutualisation – Non-Taxable *by Clint Bourke*

In May 2008, MBF and BUPA Australia Group implemented a scheme to merge their businesses. As part of that scheme, MBF undertook a demutualisation which entitled its policy holders to cash consideration for the disposal of certain membership rights. Two cash payments were made including an entitlements payment on 30 June 2008 and a distribution from the residual pool on 12 January 2009.

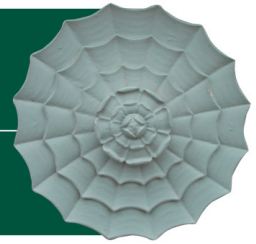
After the demutualisation took place, a change was made to the law relating to the capital gains tax (CGT) treatment of policy holders of health insurers who receive cash or shares when their health insurer demutualises. Under the new law, policy holders disregard any capital gains and losses that arise as a result of a private health insurer demutualisation. The changes take effect from 1 July 2007, and apply to the demutualisation of MBF.

What does this mean for you? It means that there is no requirement to include any amount received from MBF in either your 2007/2008 or 2008/2009 income tax return as the cash payments are non-taxable.

LET US KNOW YOUR EMAIL ADDRESS so we can communicate with you by email. Please email us at armidale@rm.net.au putting your name in the subject line.

ROBERTS & MORROW

CHARTERED ACCOUNTANTS



Contact us:

Armidale Office
137 Beardy Street
Armidale NSW 2350
02 6774 8400
02 6772 9338 (fax)
Email: armidale@rm.net.au

Glen Innes Office
328 Grey Street
Glen Innes NSW 2370
02 6730 2900
02 6732 3116 (fax)
Email: glen@rm.net.au

Toowoomba Office
3 Duggan Street
Toowoomba QLD 4350
07 4694 0540
07 4659 8170 (fax)
Email: toowoomba@rm.net.au

Narrabri Office
25 Reid Street
Narrabri NSW 2390
02 6792 3745
Email: narrabri@rm.net.au

Roberts and Morrow
Financial Services
122 Beardy Street
Armidale NSW 2350
02 6776 4580
02 6772 4728 (fax)

Email: enquiries@rmfs.net.au
Find us on the web at:
www.rmfs.net.au

Roberts and Morrow
Technology
131 Beardy Street
Armidale NSW 2350
02 6774 8400
02 6772 9338 (fax)
Email: enquiries@rmt.net.au
Find us on the web at:
www.rmt.net.au

Roberts & Morrow Employees Receive Australian Defence Medals *by Clint Bourke*

The partners and staff of Roberts & Morrow would like to congratulate Ashley Clee (pictured left) and Jeff Cristani (pictured right) on receiving Australian Defence Medals. Ashley and Jeff work at the Armidale branch of Roberts & Morrow. Ashley has been with the firm for over three years and Jeff commenced with the firm over one year ago. Ashley received the prestigious medal at an awards ceremony held at the Armidale Ex-Services Club on 17 November 2008, an event in which various officials attended including local MPs Tony Windsor and Richard Torbay, Armidale Dumaresq councillor Brian Kelly, ADF representative Captain Mark Ingram, Armidale RSL president Bob Holloway, as well as numerous other officials. Jeff was unfortunately unable to attend his



awards ceremony. To be eligible for a medal, four years of service in the Defence Force (post WWII) must have been completed, or the initial enlistment period (post WWII) must have been served.

Ashley served in the Australian Army as a Paratrooper from 1998 to 2003 including service in East Timor and Jeff served in the Navy from 1990 to 1995.

Software Upgrades

In order to best service the affairs of clients in the future we recommend that you upgrade or convert to the software options tabled below.

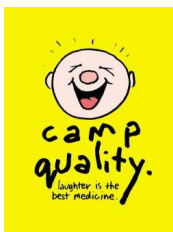


This action is needed to ensure data protection during conversion to Roberts & Morrow systems, to aid in time saving and will also help us reduce cost increases from having to maintain older versions of software.

Our aim is to have all clients on updated versions of the listed software by 30/06/09. Should you have any questions regarding this matter please contact our office.

MYOB Accounting Ver 17 (or above)
MYOB Account Plus (Payroll) Ver 17 (or above)
MYOB Premier 11 (or above)
Quickbooks Accounting 2008 (or above)
Quickbooks Plus (Payroll) 2008 (or above)
Quickbooks Pro 2008 (or above)
Quickbooks Premier 2008 (or above)
BankLink
Phoenix Gateway Ver 4 (or above)

Camp Quality Fundraising *by Bernadette Stevenson*



As part of the Roberts & Morrow Community Development initiative, several internal fundraising events are held throughout each year to raise money for a selected local charity. Some of these

events include our annual cricket match against the Golden Oldies cricket team, bowling nights, morning teas and the "chocolate box".

In 2008 the chosen charity was Camp Quality Armidale. A total of \$1,250 was raised throughout the year for this very worthwhile organisation. We

would like to express our thanks to everyone within the Camp Quality organisation for their continued efforts and support for those living with cancer in the Armidale region.

Our chosen charity for 2009 is the Armidale branch of the United Hospital Auxiliaries of NSW.

Visit the Roberts & Morrow website at www.rm.net.au