



# EAGAR EXTRA

## February Newsletter 2009

Hello and welcome to your February newsletter, our first for the year. This newsletter is sent to keep you updated with news in the industry and within FWA Eagar&Co. Please forward this newsletter to your staff, colleagues and friends.

The staff at FWA Eagar&Co welcome you back to an exciting year ahead, and hope you had a great break.

### IN THE NEWS

#### INTEREST INCURRED ON MONEYS BORROWED TO PAY INCOME TAX

Recently we were asked to consider whether interest incurred on moneys borrowed by businesses to pay income tax, qualified for deduction under the Income Tax Assessment Act. The question has been asked previously in 1921 and 1951 and thoroughly investigated. A ruling has been submitted to further clarify the issue.

Where a taxpayer carries on a business for the purpose of gaining or producing assessable income and, in connection with the carrying on of that business, borrows money to pay income tax (whether to preserve the assets of the business, maximise the return on them, retain sufficient money to fund the business or otherwise) then it is considered that the interest incurred on those borrowings is a normal incident of conducting that business. That is, such an expense is an expense incurred in carrying on that business and hence qualifies for deduction. Be careful however, if you are an individual or partnership.

Source: ATO Website [www.ato.gov.au](http://www.ato.gov.au) Ruling No. IT 2582

#### SMALL BUSINESS: GUIDANCE IN LIGHT OF GLOBAL ECONOMIC INSTABILITY

Source: Chartered Accountants website [www.charteredaccountants.com.au/news\\_issues](http://www.charteredaccountants.com.au/news_issues)

The Institute of Chartered Accountants Australia has released a set of [guidance](#) for small business owners in light of the current economic downturn, which is proving to be an especially volatile time for many small companies.

The [guidance](#) has been divided into four key areas: cash flow; banking relationships; stock management and foreign exchange. The guidance is provided as a basis for accountants to discuss with their clients about the economic downturn and how they are affected by it. If you are interested in discussing these issues, please call Ian on 9977 3622.

#### SALARY SACRIFIC SUPERANNUATION

From 1st July 2009 Salary Sacrificed Superannuation will be taken into account for certain government benefits and deductions. For example child maintenance, HECS-HELP. We assume from then there will be a reportable amount required to be notified on the employees Payment Summary much like FBT is. If you have queries please contact the office.

#### BAS AGENTS

A Bill has been introduced which will allow suitably qualified bookkeepers to prepare BAS returns. To date there has been considerable failure to comply with the law where people other than Tax Agents charge for preparation of BAS returns. It is hoped this new registration will require established qualifications and ongoing professional development for BAS Agents. Errors in BAS returns can produce significant ongoing over or understatement of taxes, which can be embedded each quarter as returns are lodged and systems become entrenched.

#### WORKING OVERSEAS? - The rules are not straight forward

We often get calls from people who are going overseas and want a quick answer on what their tax position will be here in Australia whilst they are away and overseas where they will work for a period of time.

This is complex area of the tax law. It is highly dependent on the circumstances including time of work overseas and place of travel. Getting it right can be very rewarding if planned, - benefits will often exceed cost!

#### MAKE WAY FOR THE NEXT GENERATION OF BUSINESS LEADERS

Despite being often referred to as demanding, impatient and apparently not willing to put in the hard yards, Generation Y are slowly penetrating the workplace, introducing fresh ideas and new perspectives proving vital for companies weathering the economic downturn.

The Institute of Chartered Accountants in Australia's General Manager, Michael Nazzari said: "In the next four years, more and more skilled and experienced workers will retire. If employers focus on fixing today's problems and ignore tomorrow's, they will be left without the resources they need when the economy rebounds. This is why it is vital that they continue to invest in leaders of the future."

"The Chartered Accountant Achiever Work Experience program provides our members with direct access to high calibre accounting students. The students also have the opportunity to develop practical skills and the qualities required to be a business leader and possibly secure a permanent position with the firm," continued Mr Nazzari.

David Su is currently undertaking work experience with FWA Eagar&Co and Browne&Co under the High Achiever Program. Source: Chartered Accountants website [www.charteredaccountants.com.au/news\\_issues](http://www.charteredaccountants.com.au/news_issues)

## STAFF NEWS: INTRODUCING DAVID SU



David Su is undertaking work experience with Browne&Co and FWA Eagar&Co through the Institute of Chartered Accountants High Achiever program. David is a second year student studying a Bachelor of Commerce/Bachelor of Laws at the University of Sydney. He is working in both offices doing compliance work, audit work and providing other assistance around the office.

David is showing huge potential for being a professional and knowledgeable accountant. His work illustrates a high level of knowledge and understanding beyond that of a junior level of accountant. He has been of great assistance to John Hensley while we recruit more senior level accountants for his team.

## WHAT'S ON IN SYDNEY - FEBRUARY 09!



**2009 Chinese New Year Festival** Friday 23 January to Sunday 15 February 2009

Featuring more than 50 events over three weeks, the City of Sydney's 2009 Chinese New Year Festival will be the largest celebration of the Lunar New Year outside of Asia.

Business Manager, Anna Donaghy will be Dragon Boat racing with her team

"Mavericks" on Saturday 7 February at Darling Harbour

For more information see [www.cityofsydney.nsw.gov.au/whatson](http://www.cityofsydney.nsw.gov.au/whatson)



## TWILIGHT

## JAZZ at ERYLDENE

### Featuring The Moods

Sunday 15 March 2009, 5 – 8pm at ERYLDENE HISTORIC HOUSE AND GARDEN

Bring a rug or folding chair and a picnic basket and enjoy the Moods in the setting sun of a late summer's day. With a repertoire drawn from traditional jazz, swing and jive classics from the songbooks of Frank Sinatra and Dean Martin, the Moods set the mood for young and old.

Coffee, tea and home made cakes will be available at the Garden Cafe on the lawn court.

Eryldene is located at 17 McIntosh Street Gordon, just a 5-10 minute stroll from Gordon railway station. Free parking is available, one minute away at the corner of Werona Avenue and McIntosh Street.

Tickets \$22 single or \$50 family (2 adults and 2 children) Members \$18

**Bookings** Phone 9498 2271 Fax 9499 2636  
Email [eryldene@optusnet.com.au](mailto:eryldene@optusnet.com.au)  
Booking form [www.eryldene.org.au](http://www.eryldene.org.au)

## THE TEAM at FWA EAGAR & CO

***Our vision is to be the Company that people look to for financial, business and community success. We value accountability, leadership, quality, integrity, transparency, diversity and care for our clients.***

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