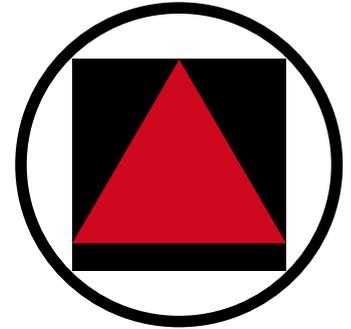
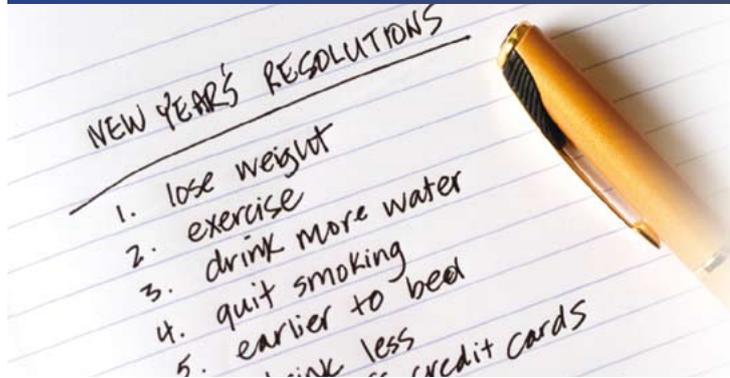


# Business Matters

STRATEGIES FOR MANAGING YOUR BUSINESS



## New Year's resolutions 2009

**T**his time every year, people draw up lists of New Year's resolutions: lose weight, start exercising or quit smoking. The New Year offers a sort of renewal, time to take a pause, and hopefully perform better going forward – both personally and in business. Commit to New Year's resolutions – here are some to help get you started in 2009.

**Make more money.** Business is more enjoyable if you are making money. You can expand, hire more employees, and get relief from financial stress.

Take time to evaluate which activities are most profitable. Focus your energy on these. It almost certainly means you will need to increase the percentage of time devoted to making sales. It might also mean finding an additional sales channel, or strengthening your advertising campaigns.

**Reduce debt.** This can be difficult, especially for a growing business. Negotiate better terms with your suppliers. Switch from high interest-rate credit cards to a line of credit at a bank. Follow-up slow paying customers. Watch your cash flow.

**Tidy up contracts, agreements, and prepare a will.** Many small business owners operate their companies on handshakes and verbal understandings. Often written agreements are put off until a later date. But what if something happens? What if you have a major falling out

with a partner, a disagreement with a customer or supplier? What if you want to sell your business? How will your business continue to run if something happens to you physically? Written agreements are like insurance, best implemented before you need them.

**Be a better boss.** Being a good boss brings you many benefits. Employees are more productive, the workplace is a more enjoyable place to go to, and you get the satisfaction of knowing that you have created good jobs for your community. Be sure to thank your employees and acknowledge good work. Give employees the authority to use their minds and judgment, and the opportunity to keep learning.

**Increase your presence on the web.** If you do not have a website, get one. If you already have a website, learn how to increase the number of visitors to your site through the effective use of search engines.

Many consumers expect to be able to find and buy what they need online. Treat your website as an integral part of your business strategy.

**Attend or exhibit at a trade show.** Trade shows present an efficient way to reach large numbers of motivated and qualified prospects in one location at a time. Investigate which trade shows might be useful to you for increasing sales, learning about your competition, and making industry contacts.

**Do something for the environment.** Carpool, take public transport, or cycle to work. You will save money as well as benefit the environment.

MARISA GONZALEZ  
ACCOUNTANT  
REGISTERED TAX AGENT

8A NARRABUNDAH  
BUSINESS PARK,  
281 GOYDER STREET  
NARRABUNDAH  
ACT 2603

•  
TEL (02) 6162 0908  
FAX (02) 6162 0907

•  
E-MAIL  
marisa@marisagonzalez.com.au

•  
WEBSITE  
www.marisagonzalez.com.au

Property Investors  
Business Startups  
Small Business Advantage  
Business Development

### KEEPING YOU ON THE RIGHT TRACK

We can help your business and your personal finances stay on the right track.  
Call us now and we'll arrange a meeting to discuss:

- Strategies to help your business improve its efficiency and profitability
- Reducing the burden of taxes on your business
- The tax issues that affect you and your family
- Maximising your wealth
- Retirement planning strategies for you and other family members

### 1ST QUARTER 2009

- New Year's resolutions 2009
- Fair Work Bill - what you need to know
- ATO issues email scam warning
- Building a brand
- ATO warns against liquidation to avoid tax

# Fair Work Bill – what you need to know

The Fair Work Bill introduces substantial changes to the laws currently governing minimum employee entitlements, collective bargaining, transmission of business and unfair dismissals. The Bill replaces the Workplace Relations Act 1996 and introduces a new workplace relations umpire, Fair Work Australia (FWA).

Although modern awards and the National Employment Standards are planned to begin operation on 1 January 2010, the new collective bargaining framework and the new unfair dismissal regime will commence on 1 July 2009.

## National Employment Standards

The Bill establishes a 'safety net' for employees, made up of modern awards, 10 National Employment Standards and minimum wages. The Standards comprise of the following:

- maximum working hours
- parental leave and related entitlements
- requests for flexible work arrangements
- annual leave
- long service leave
- public holidays
- personal/carer's leave and compassionate leave
- community service leave
- notice of termination and redundancy pay
- fair work information statement

The minimum standards established by these matters can be supplemented through collective bargaining.

## Modern awards

The Australian Industrial Relations Commission has been working on a streamlined award system, more closely based on industries than the current system.

Modern awards will regulate:

- Minimum wages (replacing the current fair pay and conditions standard)
- The arrangement of work hours including shift work and part-time work
- Leave and leave loadings
- Superannuation
- Overtime and penalty rates
- Allowances

Employees that earn more than \$100,000 per year will not be covered by modern awards.

## Enterprise bargaining

The Bill makes it compulsory for employers to participate in collective bargaining in specific circumstances. Once the employer is involved in the process, they must negotiate in good faith. Fair Work Australia can order parties to bargain in good faith.



## Unfair dismissal

The Bill simplifies the current unfair dismissal provisions, largely in terms of who is or who is not allowed to bring a claim.

This can come down to the following issues:

- an employee in a business with less than 15 employees must satisfy a qualifying period of 12 months of service before being entitled to bring a claim
- an employee in a business with more than 15 employees must satisfy a qualifying period of at least 6 months service before being able to bring a claim
- employees that are not covered by an award or earn more than \$100,000 per year are excluded
- employees who have been made 'genuinely redundant' are excluded

Unfair dismissal claims will be determined by Fair Work Australia. The primary focus will be on informality and maintaining fair play in the resolution process.

## Union right of entry

Unions who are eligible to represent the interests of employees in a workplace will be allowed to enter that workplace to hold discussions with employees. It does not matter whether or not employees are union members, only that they are eligible to be.

When exercising a right of entry to investigate a suspected breach, an eligible union representative will be permitted to inspect and make copies of any record, including records of employees who are not members of the relevant union.

## A Fair Work Bill Action Plan

1. Review existing workplace arrangements to assess the impact that National Employment Standards might have on your business.
2. Consider acting now to place employees currently on Australian Workplace Agreements on employee collective agreements. Determine to what extent you may be able to take advantage of the 'high-income' employee award exclusion in respect to some or all of these employees.
3. Plan to have in place sufficient business resources to enable you to adequately prepare for the bargaining process in order to achieve desired outcomes if bargaining after 1 July 2009.
4. Identify which unions may have the right to represent the industrial interests

of all employees in your business. Get a head start with an early understanding of how new union rights of entry may be exercised after the commencement of the Fair Work Act.

5. If you are planning to purchase or sell a business after 1 July 2009, ensure that you understand the new transmission of business provisions.

6. Make sure you are informed of the award modernisation processes that are occurring so that you can plot an appropriate course for your business, as more details become available.

7. Ensure managers are sufficiently informed about the changes that are occurring to avoid unintentional breaches of general employee protections.

# ATO issues email scam warning

The Australian Taxation Office has issued a warning to taxpayers to immediately delete any emails that claim to offer tax refunds. The warning comes as scam emails soliciting credit card details are on the rise.

The most recent scam is similar to previous ones and attempts to confuse taxpayers by using the Tax Office logo and the words 'Notification - Please read' or 'Australian Taxation Office - Please Read This' in the subject heading.

The email instructs recipients to open a link which directs them to a website that looks similar to the Tax Office website. The website asks for credit card and personal details on the basis that these details are required for identification purposes.

The Tax Office has confirmed that it never sends emails asking people to provide personal information including credit card details.

If you have received such an email and entered your credit card information, it is advisable to contact your credit card provider immediately.



## Building a brand

A brand identity represents a mental or emotional association in the mind of a customer. It is initiated by the images used in your advertising, and by the words used to describe your products. After sufficient impressions, the customer remembers these associations and a brand is born.

Large corporations spend hundreds of millions of dollars building their brands for good reason. Brands:

- help customers remember your products or services
- build customer loyalty and lead to repeated purchases
- make it easier for current clients or customers to refer you to others
- send a message as to what your customers can expect
- convey an emotion
- add value

Most importantly, the thing to remember is that a brand is a promise. Essentially, branding is then a process in which a business creates and delivers on customer expectations. When someone buys your product or service, they count on those expectations to be fulfilled.

The components of your brand promise are based on:

### 1. Consistent look-and-feel

At the most basic level, to build a brand you must develop a strong brand image. Consistent look-and-feel extends to your logo, colours, typefaces, décor, employee uniforms, and more. Professional service providers, such as solicitors, should make sure their brochures, business cards, website, stationery, etc. all have a consistent look-and-feel.



### 2. Consistency of experience

This is the building block of a brand. How can you do this in a small company? Take building a brand for your hair salon. Every client's visit should feel the same as the last. This includes the same type of music, the same greeting, and the same type of treatment every time.

### 3. Consistent quality

It is not sufficient to deliver a consistent experience to your customer only. The experience must also be of a certain level of quality. McDonald's French fries don't have to be the best French fries in the world, but they have to be good French fries. And they have to be good every time.

### 4. Distinct competitive position

A brand must stand for something and distinguish you from the competition. The easiest way for a small company to develop this distinct brand position is to focus on a niche or specialised market.

### 5. Repeated exposure

To remember your brand, customers must hear it or see it over and over again.

Building brand awareness takes money, and that can be a challenge for small businesses. The objective should be to clearly and narrowly define your target market. The next step is to make sure you expose those potential customers by repeated advertising messages in the same publications, exhibiting at the same trade shows and attending the same networking events.

A brand is a complex entity and a somewhat abstract concept in the mind of a customer. Brand identity is the description of a brand and how it is positioned in the marketplace. Brand image, on the other hand, is the internal emotional reaction by the customer to the brand identity itself.

The brand image is made up of your products' appeal, functionality, popularity, and perceived value. These attributes should be used when designing and executing your brand marketing strategy. If this is done effectively, the new customers you obtain and the existing customers who buy from you again will feel that you have delivered on your promise, which is the basis for a positive brand image.

# ATO warns against liquidation to avoid tax

The Commissioner of Taxation has released a Taxpayer Alert in relation to the use of liquidation to avoid payment of taxation.

Taxpayer Alerts are routinely issued by the Australia Taxation Office and provide a summary of significant new and emerging higher risk tax planning issues that are under risk assessment.

Taxpayer Alert 2008/16 describes arrangements where taxpayers involved in a previous tax avoidance scheme enter into an arrangement to avoid the payment of the tax liability arising from that scheme by liquidating entities. These arrangements include Phoenix arrangements where the business and assets are transferred to a new entity and then the existing entity is

liquidated. This has the effect of defeating creditors of the original entity including the Tax Office.

The ATO has become increasingly concerned with avoidance schemes that involve the following features:

**Separate entities.** A taxpayer is involved in a tax avoidance scheme that involves the creation or utilisation of various entities.

**Attempts to legitimise transactions.** In order to avoid the consequences arising from outstanding tax debts, taxpayers have used the services of another entity - such as a tax agent, solicitor, a business recovery consultant, insolvency administrator or a liquidator - to engage in transactions that lead to liquidation of one or more of the entities.

**Distribution of assets.** These transactions generally result in a transfer of assets to different parties, which may include the taxpayer or their associates.

The effect of these strategies is to defeat creditors including the ATO. The taxation liability remains, but due to the liquidation there is an inability to pay. In Phoenix arrangements a new entity is established to continue the activities of the original business.

The ATO views these activities very seriously. Liquidating an entity as a means of avoiding a tax liability can attract criminal sanctions, resulting in significant penalties and may also be referred to the Australian Securities and Investment Commission.

## WEB WATCH

### ESSENTIAL SITES FOR BUSINESS OWNERS

#### [www.springwise.com](http://www.springwise.com)

A website documenting interesting business innovations occurring at different places around the world. Perfect for business entrepreneurs seeking new ideas for various business adventures.

#### [www.scamwatch.gov.au](http://www.scamwatch.gov.au)

Managed by the ACCC, SCAMwatch provides alerts and advice to help individuals recognise and protect themselves against scammers. Victims can report scams through this website.

## REMINDERS FOR YOUR DIARY

### FEBRUARY

- 21 January 2009 Monthly Activity Statements: Final date for lodgment and payment.
- 28 Superannuation guarantee charge statement – quarterly (if required contributions were not made by the due date) for quarter 2 2008–09 (1 Oct – 31 Dec).
- 28 Activity statements - Quarter 2 (October – December 2008) activity statements: final date for lodgment and payment, including electronic lodgments.
- 28 GST - Annual GST return or annual GST information report: final date for lodgment and payment (if required) if you do not have an income tax return lodgment obligation.
- 28 PAYG instalments - Quarter 2 (October – December 2008) instalment notices – forms R and T. Final date for payment and, if varying the instalment amount, lodgment.
- 28 GST instalments - Quarter 2 (October – December 2008) instalment notices – forms S and T. Final date for payment and, if varying the instalment amount, lodgment. *Four-instalment payers to pay a further 25% of their instalment liability.*
- 28 Income tax return lodgment and payment due date for self-preparing entities that were not due at an earlier date.
- 28 Income tax return lodgment and payment due date for large/medium entities and self-managed superannuation funds (taxable and non-taxable) that are new registrations.
- 28 Income tax return lodgment due date for large/medium business trust clients that were non-taxable in the prior year (includes new registrants).

### MARCH

- 21 February 2009 Monthly Activity Statements: Final date for lodgment and payment.
- 31 Income tax return and payment for superannuation funds with total income in excess of \$2 million in latest year lodged (excluding large/medium business taxpayers).

## A Great Read

### The New Rules of Marketing and PR

Author: David Scott

In *The New Rules of Marketing and PR*, Scott presents the argument that understanding the growing irrelevance of marketing's 'old rules' is vital to thriving in the future. Already apparent in the downturn of advertising in newspapers, magazines, radio and direct mail, the imminent fall of traditional mass media marketing means that new opportunities are presented for legions of smaller companies and independent professionals who need to reach niche markets cheaply and effectively.

Scott provides the technical novice a thoughtful and accessible guide to cutting-edge media arenas and formats such as RSS, podcasts and viral marketing, without neglecting the fact that technological wizardry can't substitute for a well-thought out marketing plan. Scott also drills home the ethos and etiquette of the web, encouraging content that is both useful and unobtrusive. This excellent look at the basics of new-millennial marketing should be useful in the hands of any serious PR professional making the transition.

Business and personal planning need not be left until the end of the tax year - talk to us now about tax and financial strategies for you and your business.

We are sometimes asked if we are able to help additional clients. We are a growing firm and do appreciate your referrals. We consider it a compliment when you recommend us to your friends and business contacts.