

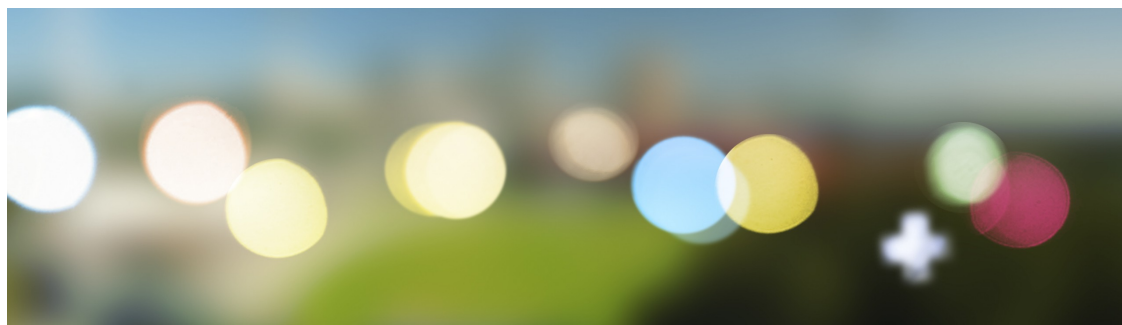
Considered Value

Issue 65 – October 2011



Brentnalls SA

Chartered Accountants
and Advisors



Corporate Governance

What is Corporate Governance

Corporate Governance refers broadly to the rules, processes, or laws by which businesses are operated, regulated, and controlled.

A governance framework should consider the rights of shareholders, treatment of stakeholders, disclosure and transparency and the duties of board members.

Whilst we may commonly relate corporate governance policies to publicly listed companies, (ASX - Corporate Governance Principles and Recommendations provides guidelines for Australian Listed entities) it is just as important for small to medium sized businesses to have good corporate governance policy and practices and to adhere to them.

Benefits

Effective corporate governance helps an organisation to achieve its objectives and desired outcomes and fulfill its obligations through sound:

- Strategic and business planning;
- Risk management;
- Financial management and reporting;
- Human resource planning and control; and
- Compliance and accountability systems.

A good starting point is to have:

- company policies, procedures and processes;
- risk management policies;
- a strategic plan;
- transparent performance reporting mechanisms; and
- well developed employee management systems.

The understanding and implementation of a good corporate governance framework presents a structured path to better management practices, effective oversight and control mechanisms which lead to opportunities for growth, financing, exit strategies and improved performance.

Governance Responsibility

The Directors/Committee Members are held responsible for establishing and monitoring an appropriate corporate governance system.

A checklist may assist a board in identifying areas which require action. A checklist should be reviewed at least annually or if major changes to the board/committee structure occurs.

If you require any guidance or further information in relation to Corporate Governance please contact our office.

Corporate Governance

Self Managed
Superannuation–
Stepchildren

OHS & W Legislation
is Changing 1 January
2012

Personal Properties
Securities Act Update

R & D Tax Concession

Client News

Beware of Hoax
Emails

Superannuation
Guarantee–Medicare
Clearing House

Brentnalls SA News





Quote:

"Obstacles are those frightful things you see when you take your eyes off your goal".

Henry Ford

Self Managed Superannuation

Step Children - do they remain a dependant of their step- parent in certain circumstances?

Does a stepchild continue to satisfy the definition of a 'child' (and therefore remain a dependant for the purposes of the SIS Act) of their step-parent in cases where:

- the stepchild's own parent dies first, survived by the step-parent; or
- the stepchild's own parent and their step-parent divorce.

In other words, can a stepchild receive a death benefit from their step-parent's superannuation (directly from the superannuation fund) in the cases above? Or is the stepchild / step-parent relationship severed upon the death of the child's own parent, or upon the divorce of their own parent from their step-parent.

Background information

SISR 6.22 states that a member's benefits must not be cashed in favour of a person other than the member or the member's legal personal representative unless the member has died and 6.22(2) the benefits are cashed in favour of either or both of the following:

- the member's legal personal representative;
- one or more of the member's dependants.

Section 10 of the SISA defines a dependant to include the spouse of the person, any child of the person and any other person with whom the person has an interdependency relationship.

Section 10 of the SISA defines a child to include:

- a) an adopted child, a stepchild or an ex-nuptial child of the person; and
- b) a child of the person's spouse; and someone who is a child of the person within the meaning of the *Family Law Act 1975*.

Whilst there are different views within the industry the ATO view is - the stepchild/step-parent relationship is severed when the marriage of the parent ceases, that is, upon the death of the natural parent or upon the divorce of the natural parent from the step-parent.

Further, having considered the construction of the definition of 'child' the Commissioner's view is that stepchild is used in relation to individuals who are legally married. Where a child's parent is in a de facto relationship, paragraph (b) of the definition of 'child' would apply.

As paragraph (b) does not extend to a child of a former spouse, a child would cease to be a child of a person (not their natural parent) when a de facto relationship between the natural parent and the other person ceased.

This may mean that it is necessary for the trustee of a fund to determine whether a particular individual was either a dependant within the ordinary meaning of that word or was in an interdependency relationship with a deceased person.

As you can see, this area of the law is rather complex. We suggest that advice should be obtained to ensure that your estate planning outcomes address/overcome the above.

(reference Australian Taxation Office - Superannuation Technical Minutes, June 2011)

OHS & W Legislation is Changing 1 January 2012

OHS&W is making way for Work Health & Safety (WHS).

One set of consistent laws across Australia regulating Work Health and Safety will reduce compliance costs for business and protect the safety of every person in the workplace no matter where their work occurs.

Harmonisation of OHS laws to become Work Health and Safety Legislation

On 1 January 2012 there will be new State OHS laws known as the SA Work, Health and Safety Act, Regulations and Codes of Practice. All of the other States and Territories will also implement similar laws on 1 January 2012. These new laws will be based on a National Model so that there will be harmonised Work, Health and Safety legislation throughout Australia from 1 January 2012

Some Examples of the Changes are:

1. Introduction of a Person Conducting a Business or Undertaking (PCBU)

There is a change to who is the 'Responsible Officer' in a business/organisation as a new concept is being introduced called a 'Person Conducting a Business or Undertaking' - a PCBU. The use of the term PCBU seeks to capture the work activities of a business in their entirety. Undertakings may involve workers other than actual employees.



This month Brentnalls SA is supporting the Peter Couche Foundation—The staff recently participated in Don't Speak fundraiser and raised \$1,472 towards the Peter Couche Foundation

2. Who is defined as a 'worker'?

The definition of a worker is broad. It includes an employee, a contractor or subcontractor (or their employees), an employee of a labour hire company assigned to work in a business or undertaking, an apprentice or trainee, an outworker, a volunteer, a work experience student and also includes the person conducting a business or undertaking if that person works in the business or undertaking.

3. Right of Entry for Unions

Currently there is no right for a Union to enter a workplace for OHS purposes. Under the new legislation Unions will be able to enter workplaces for WHS (OHS) purposes to advise and assist in WHS or when a contravention of the law is suspected

For guidance on how to prepare your business for the changes, please refer to the www.safework.sa.gov.au website for regular updates.

Or

Business SA are also conducting seminars which include:

- Understanding the new SA WHS legislation
- Avoiding potential prosecutions
- Increased penalties
- Right of Union entry
- Infringements notices
- Understanding the role of the PCBU and more

You can contact Business SA on 8300 0103 and ask for information on Work Health and Safety (WHS) sessions or go to <http://business-sa.com/work-health-and-safety>



Personal Property Securities Act Update

The Personal Property Securities commencement date has been delayed until early 2012.

R & D Tax Concession

There have been recent changes to the R&D tax incentive which replaces the R&D tax concession for years starting on or after 1 July 2011.

The new incentive provides R&D tax offsets to encourage more companies to engage in R&D activities. The R&D tax incentive has two core components -

- a 45% refundable tax offset (equivalent to a 150% deduction) for certain eligible R&D entities with an aggregated turnover of less than \$20 million per annum
- a 40% non-refundable tax offset (equivalent to 133% deduction) for all other eligible R&D entities. Unused offset amounts may be able to be carried forward for use in future income years.

If you would like to discuss your eligibility for the R&D Tax Concession talk to your advisor at Brentnalls SA or try our free self-assessment diagnostic tool on our website at www.brentnalls-sa.com.au

Brentnalls SA

Chartered Accountants
and Advisors

Partners

John Crouch Craig Farrow
Rick Albertini Karen Nyberg

Associates

Sharon Lloyd Shali Manolev
Renee Feltrin Matt Holden
Aimee Campbell Gavin Mitchell

Brentnalls SA Advisors Pty Ltd

Australian Financial Services Licence Number 264083

Directors

John Crouch Craig Farrow
Rick Albertini Karen Nyberg

255 Port Road
PO Box 174
HINDMARSH SA 5007
Tel: 08 8241 8444
Fax: 08 8241 8488
Email: admin@brentnalls-sa.com.au

We welcome the opportunity to
assist you and discuss any matters in
our newsletter

*Should you wish to receive our
Newsletter electronically, please
E-mail us with 'Newsletter' in the
Subject line.*

Disclaimer

The information provided in this newsletter does not constitute advice. The information is of a general nature only and does not take into account your individual objectives, financial situation or needs. It should not be used, relied upon, or treated as a substitute for specific professional advice. We recommend that you contact Brentnalls SA before making any decision to discuss your particular requirements or circumstances. Brentnalls is not a partnership or a joint venture. Instead, the business of Brentnalls SA is independently owned and operated and it is an independent member of the Brentnalls Affiliation of Accounting Firms. Individual member firms do not accept responsibility or liability for the actions or inactions of any other individual member firm.

Client News

Congratulations to PetRescue who have recently rehomed 100,000 pets. PetRescue is a not-for-profit organisation that finds new homes for lost and abandoned pets. They have found homes for more than 25,000 pets each year thanks to their PetRescue listings

For further information on PetRescue please refer to www.petrescue.com.au



Congratulations go to Ann Clarke who had the above photograph of her son Dylan and their dog Hudson immortalised in a new 60c stamp. Her photo is one of five that were converted into an Australian-themed stamp collection as part of an Australia Post photography competition.

Beware of Hoax Emails

Hoax emails are becoming more prevalent. Be aware of emails being sent from the Australian Taxation Office (ATO), banks and other major institutions requesting information from you.

The ATO has recently advised that hoax emails have been sent in relation to refunds, ATO reports and items not lodged. Attached to these emails are zip files which contain a virus. These attachments should not be opened. Please refer to the ATO website for more information <http://www.ato.gov.au>.

Superannuation Guarantee–Medicare Clearing House

As a reminder to employers if you have less than 20 employees, you may be eligible to use the free small business super clearing house service administered by Medicare Australia. For more information visit www.medicareaustralia.gov.au/super.

Brentnalls SA News

We welcome Luke Sawlwin, Stefan Sapio and Pauline Miring'u who have joined Craig Farrow's team, Anthony Staltari and Lilia Zhou who have joined Rick Albertini and Karen Nyberg's team and Amanda Bestt who has joined the Admin team.

Congratulations to Matthew and Makella Holden on the birth of their daughter Isla Grace Anne. Isla arrived on the 31st August weighing 4.22 kgs (9 pounds 5 ounces).

Also congratulations to Renee Feltrin and Liam Robertson on their recent engagement.

We farewell Mandy Biller, Mandy has been looking after the Administration Support for Rick Albertini's team for the past 5 years, she is relocating to Brisbane with her partner Tony. We take this opportunity to wish Mandy and Tony all the very best. Antonella Tripodi has been promoted and will be taking over this position

City to Bay - a number of our staff participated in the City to Bay fun run raising \$725 towards Bedford Industries.

Meet Antonella Tripodi

Hi my name is Antonella. I have been working for Brentnalls SA for 2 years as the Practice Administrator and assisting in Craig Farrow's team.

I'm married to Steve and have three beautiful children aged 7, 5 and 3. I enjoy spending time with family and friends and especially enjoy taking my kids to the beach on weekends for long walks, play and also love to watch them fish with their dad. I love to read and have just finished the book Water for Elephants which was a great read.

