

Education tax refund



The Education Tax Refund (ETR) aims to help families meet the costs of school education through assistance with certain education expenses.

The refund is up to \$375 per year for primary school students and \$750 per year for secondary school students.

To receive the ETR you must be entitled to Family Tax Benefit (FTB) Part A. For families that have shared care arrangements the ETR will be shared just as FTB Part A is shared.

Eligible expenses are items that support a child during school and improve the quality of education. These include computers & associated running costs (including home internet connection); education software and school textbooks and materials.

The ETR will apply to expenses incurred from the 1st of July 2008 so it's important to keep your receipts for any education expenses. Parents can claim the refund in their 2008-09 income tax returns.

Changes to fuel tax credits



Prior to the 1st of July 2008 businesses were able to claim fuel tax credits for heavy vehicles traveling on a public road or certain agricultural, mining and marine applications.

Now you can claim fuel tax credits for the diesel and petrol you use in a whole range of activities that weren't eligible before, such as construction, retail, property management and landscaping.

The only fuels that are not eligible are aviation fuels, alternative fuels and fuels used in light vehicles (4.5 tonne gross vehicle mass or less) traveling on a public road. Eg. A car or small van.

Businesses must be registered for GST and fuel tax credits before they can claim on their Business Activity Statement. If you think you may be eligible, contact your tax advisor today to discuss the matter further.

Happy Birthday Daisy!



It's not very often that we do this but we felt the need to mention a very special lady in the Dalby office who will be celebrating a special milestone in October this year.

Daisy Sims will be turning 75! Daisy started with us in May 1989 and has seen practically everything that has happened here over the last 19 years. Daisy is a valued member of our administration team and is responsible for numerous roles such as tax assessment verification and most importantly the filing system.

If we ever need to find anything... and we do mean anything, Daisy is normally our first port of call.

Have a great birthday Daisy and thanks for all your hard work over nearly 20 years!





Market Update

As we all know markets go through cycles and at present we are experiencing extremely low prices for shares.

We are constantly monitoring markets and continue to have the view that many markets are currently very much undervalued and therefore this is not the time to be selling.

Our current view on Australian shares is summarised below:

- Australian share prices currently look much undervalued on the basis of current and expected profits, likely lower interest rates in 2010 and the cash flows from superannuation and the various funds being set up by the Federal Government, in addition to the Future Fund. The banks and bigger diversified financials look very undervalued, having been marked down in line with US and European financials despite the Australian businesses growing their profits while their overseas competitors have generally lost money in 2007/08;
- Businesses focused on the consumer are likely to find it difficult in 2008/09 due to slower employment growth and continued high interest rates and fuel costs. Clients prepared to take a long term are likely to pick up some bargains in coming months;
- Profit seems likely to be focused on the miners, banks and businesses involved in providing services to the miners, farmers and infrastructure development. Be careful as to prices paid for mining stocks as commodity price upswings do have a habit of ending sooner than expected; and
- The focus should remain on larger companies as high interest rates and stricter credit conditions suggest smaller companies with ongoing credit needs and an uncertain profit outlook could struggle.

Super changes from July 08

There are two changes to Superannuation that come into effect from 01 July 2008.

The first is that from this date employers must use 'ordinary-time earnings' to calculate employees' super guarantee contributions.

Ordinary time earnings are generally what an employee earns for their ordinary hours of work. It includes over award payments, shift loading and commissions but excludes such things as overtime.

Most employers already use ordinary time earnings, however some employers use other methods such as an earnings base outlined in industrial awards or existing employment agreements.

The changes will make sure that all employees are treated the same.

The second change is that the employer nominated super fund (more commonly known as a default fund) must offer minimum levels of life insurance death cover to their members.

An employer nominated super fund is the fund that an employer chooses to pay an employees superannuation guarantee contributions to if they do not choose a fund.

Insurance requirements are as follows:-

Age Range	Minimum level of life insurance cover
0 -19	Nil
20 – 34	\$50,000
35 – 39	\$35,000
40 – 44	\$20,000
45 – 49	\$14,000
50 – 55	\$7,000
56 +	Nil

There are some limited instances where funds do not need to meet the life insurance requirements. For example, if a particular employee is unable to obtain insurance due to their health or a high risk occupation, employers can still contribute to the fund.



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