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# THE CP CATCHUP

WELCOME TO THE ELEVENTH EDITION OF THE CP CATCHUP

FEBRUARY 2014

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## New ATO Penalties for Self-Managed Superannuation Funds

The ATO have been given new penalties that can be imposed on self-managed fund trustees for a range of breaches of the law, including breaches that may be inadvertent and/or accidental. These new penalties commenced from 1 July 2013. The new regime is designed to make it easier for the ATO to impose a monetary penalty on trustees who breach the law and range from \$580 to \$10,200 depending on the breach. The monetary penalty will apply to the trustee(s) personally and cannot be paid from the superannuation fund's assets. Examples of breaches include:

- Loan to a member of the fund (includes wrongful withdrawal, even if it is repaid) \$10,200 Penalty
  - Super fund borrowing \* \$10,200 Penalty
  - Loan to, or an investment in a related party in excess of 5% of assets \* \$10,200 Penalty
  - Breach of prescribed standards, e.g. contribution standards \$3,400 Penalty
  - Failure to prepare accounts and statements in a year of income \$1,700 Penalty
  - Failure to keep minutes and records \$1,700 Penalty
- \*exclusions apply

The new penalties represent a significant change for self-managed fund trustees. The ATO's ability to issue penalties in the past has been restricted due to the severity of the penalties available to them. Under the new regime we expect to see the ATO revert to standard practice of imposing penalties and requiring trustees to demonstrate that the imposition of the penalty is unwarranted or unjust.

The new rules will also provide the ATO with the power to issue rectification directions mandating certain actions the trustee must take to rectify/resolve breaches of the law, as well as the power to issue education directions requiring trustee(s) to complete specified training/education courses.

These changes highlight the ever increasing expectations on self-managed fund trustees and signal a further shift by the ATO towards the use of enforcement powers as a first response. Accordingly, trustees need to be more vigilant in ensuring they meet all compliance requirements. In this regard if you are in any doubt you should discuss your plans with us before implementing.

## Providing the ATO with Correct Bank Account Details

The ATO is reminding tax agents to use correct Australian financial institution account (FIA) details in tax returns to help avoid refunds going astray or being delayed. Therefore please be proactive in providing your bank account details to us to avoid potential delays and speed up your refund.



## Car Expense Rates Per Kilometre - 2013/14

The car expense rates per kilometre have been set by the ATO for the 2013/14 year (and they have been increased for the first time since 2008/09).

Year	Small Car	Medium Car	Large Car
2012/13	63c	74c	75c
2013/14	65c	76c	77c

## 5 Ways to Deal with Politics in the Workplace

For many, office politics is a part of life. Unfortunately, politicking is also the single biggest cause of stress in the workplace. If office politics are unavoidable, an employee's best bet is to make the best of tough situations. Below are five ways to ensure politicking doesn't get the best of you.

- **Avoid it:** Try to stay out of office politics altogether, especially if the topic du jure doesn't affect your current role. This will ensure you don't come across as a person who interferes with other people's business or be seen as someone who likes to cause a problem.
- **Choose battles wisely:** Before engaging in office politics, decide whether it's worth the risk of promoting a personal cause. Also be aware of any potential risks that might arise in the future if you choose to engage in office politics and avoid saying anything about a colleague that you wouldn't say to his or her face.
- **Compromise:** Whenever possible, try to think about a win-win scenario for all parties or at the very least be willing to compromise on the issue. This is a good way to gain a reputation as someone who solves problems and has good negotiation skills.
- **Find an influencer:** On some occasions, office politics is the easiest way to get a point of view across, especially if other people agree with the idea.
- **Start a favour bank:** Doing a colleague a favour is a good way of being seen as a team player, but don't let it become a one-sided activity. Building up a list of people who "owe you one" can be a forward-thinking strategy and can be helpful later on in a career. When asking a colleague for something in return, gently remind them of the previous good deed and ask if they can return the favour. If they refuse, keep this in mind before going out of your way to help them in the future.

Ref: CPA Australia Update Edition 2

Full article: <http://www.itbdigital.com/opinion/2014/01/15/office-politics-got-you-down/?Division=Victoria&Segment=The+Rest>

## Client In Focus - a1 Motorcycles

We live and breathe motorcycles and scooters at a1, and have a firm belief that the only way to decide on the right bike or scooter for you is a decent test ride. At a1 we encourage you to take your time, ask questions and feel comfortable making the important decision of "Is this the right bike for me?"

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(Brighton Service & Tyre: 813 Nepean Highway – 95639251)

(Ringwood Service & Tyre: 10 Olive Grove – 98701334)



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