



Welcome...

By Jarrod Bramble,
Partner

We would like to take this opportunity to wish all our readers a Merry Christmas and a safe and prosperous New Year! Our office will be closed from 12 noon Friday 22 December 2006, and will reopen on Tuesday 2 January 2007.

Our investment services division will remain contactable over the Christmas period.

2006 has been a prosperous year for the Hunter Region which has benefited from a protracted resources boom. Recent research by Hunter Valley Research Foundation indicates that this positive sentiment will continue through 2007. We expect that this will lead to a continuation of buoyant economic activity in our region. Economists are expecting that interest rates will be largely unchanged over the next 12 months which will also mean greater certainty in investment markets should prevail. Significant changes to superannuation and easing taxation rates are all positives for our economy.

We look forward to advising you with a view to achieving the most out of 2007.

Tax Tips and Traps to Consider At Christmas



Christmas is only days away which means you need to start planning your Christmas presents and parties soon to avoid an unpleasant Fringe Benefits Tax (FBT) bill in early 2007. Refer to Table 1 to get started now. This quick reference table will make planning presents and parties simple and will hopefully take the stress out of deciding how much to spend on these items without incurring FBT.

FBT Developments

As a result of the May 2006 Federal Budget, the following FBT developments apply from 1 April 2006 (ie. the 2007 FBT year).

- As the highest marginal income tax rate for individuals has decreased from 48.5% to 46.5%, the FBT rate has also decreased from 48.5% to 46.5%.

- The FBT gross-up factors have also changed. The gross-up factor for Type 1 benefits (i.e. benefits with GST included in the price) has decreased from 2.1292 to 2.0647. Similarly, the gross-up factor for Type 2 benefits (i.e. benefits with no GST included in the price) has decreased from 1.9417 to 1.8692.

The following FBT developments apply from 1 April 2007 (ie. the 2008 FBT year).

- Increase in the minor and infrequent benefits exemption threshold from less than \$100 to less than \$300.
- Increase in the reportable fringe benefits amount threshold from \$1,000 to \$2,000.

FBT Quick Reference Table		
Circumstance	FBT Payable	Tax Deductible
Party On Premises		
Employees	No	No
Employees & spouses – total cost <\$100 – total cost >\$100	No Yes – on benefit to spouse only	No Yes – on benefit to spouse only
Clients	No	No
Party Off Premises		
Employees – cost <\$100 – cost >\$100	No Yes	No Yes
Employees & spouses – total cost <\$100 – total cost >\$100	No Yes	No Yes
Clients	No	No
Gifts to Employees		
<\$100	No	Yes
>\$100	Yes	Yes
Gifts to Clients		
All	No	Yes

The New Face of Forensic Accounting at Cutcher & Neale – Nick Gaudion Appointed as Director



Nick commenced his career in the audit division of Deloitte 1991, before specialising in forensic accounting in 1997. Nick's nine years of specialising in forensic accounting have included an 18 month secondment to Deloitte Canada and four years at Forsythes. He has provided advice in a range of matters, including business valuations for Family Law and quantifying loss of business profits in Civil Litigation and dispute resolution. Nick has given evidence in the Family Court of Australia and the Supreme

Court of New South Wales. He also prepared and presented a number of papers on the financial aspects of legal matters at a number of seminars for solicitors.

In his new role with Cutcher & Neale he will continue to provide forensic accounting assistance to the Hunter legal profession. Nick's expertise is also recognised outside of the Hunter with a significant amount of work being referred from solicitors and barristers in Sydney CBD and Parramatta.

Visitors Score New Car Park

Visitors to Cutcher & Neale will have a fresh home for their vehicles with the new car park.

The dedicated visitor and staff car park, adjacent to King Street, opened Monday 27 November 2006 and offers two levels of parking with capacity for more than 30 cars.

The visitor and staff car park can be accessed via Athcourt Lane, off King Street, between Bolton and Watt Streets. It will be used exclusively by visitors and staff of Cutcher & Neale.

The double level car park is well lit with security and has bays specially designed to accommodate larger vehicles and wheelchairs.



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