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THE FAIR WORK BILL 2008 HOW WILL IT AFFECT YOUR BUSINESS?

Our Services

We are a complete accounting, investment and business services firm. This provides you with the comfort of knowing that all your needs can be met by McCormack Reynolds.

We tailor growth and development strategies for our clients. The practical and diverse experience of our team means that we can provide expert and timely advice in the complex fields of:

- Estate Planning
- Financial Functions Outsourcing
- Growth and Profit Solutions
- Investment Services
- Management Reporting
- Self Managed Super Funds
- Statutory Accounting
- Taxation

IT IS IMPORTANT AT THIS TIME OF YEAR

THAT WE ALL NEED TO CONTINUE REVIEWING OUR BUSINESS STRATEGIC PLANNING, WORK OUT ACTIONS TO SUPPORT OUR OVERALL STRATEGIC PLANS AND PUT APPROPRIATE BUDGETS IN PLACE. A RECENTLY PASSED COMMONWEALTH LEGISLATION, THE FAIR WORK ACT, MAY IMPACT UPON YOUR EXISTING STRATEGIC PLANNING AND THE SUPPORTING ACTIONS AND BUDGETS YOU CURRENTLY HAVE IN PLACE.

At McCormack Reynolds we are therefore concerned that a number of businesses are not yet aware of the Fair Work Act and the possible implications, both operationally and financially, it will have on businesses going in to the new Financial Year.

The Fair Work Act will come into effect on 1 July 2009.

What effect will it have on businesses?

The new laws make a number of changes affecting employee entitlements and wages, termination of employment, union rights, collective bargaining and employee rights and protections.

Who does it affect?

The new legislation applies to most employers in Australia.

Key Issues for Employers -

What do businesses need to do?

- a new body, Fair Work Australia, will replace existing tribunals and agencies including the Australian Industrial Relations Commission. Employers will need to prepare for bargaining under a good faith regime with Fair Work Australia having broad powers to make orders that will influence negotiations. In the compliance area the related Fair Work Ombudsman will investigate and prosecute any breaches of Federal workplace laws

- managing the transition to the Fair Work Act will include a review of contracts, industrial instruments, policies and practices to ensure compliance with the new safety net, the National Employment Standards and 'modern awards' from 1 January 2010

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McCormack Reynolds

accountants & business advisors

WITH YOU EVERY STEP OF THE WAY

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THE FAIR WORK BILL WHAT EFFECT WILL IT HAVE ON BUSINESSES?

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- when bargaining for a new enterprise agreement you will need to take account of the National Employment Standards and consider whether your proposed agreement would pass the "better off overall test"

- managing Union 'right of entry' or a demand to bargain, especially where your business might not have had a recent history of engaging with Unions will be important

- the transmission of business rules requires careful consideration particularly around the outsourcing or in-sourcing of work and business restructures.

For a more detailed overview of the new Fair Work Act please go to our website www.mccormackreynolds.com.au

The Fair Work Act is a very complex area. We cannot advise you but only raise awareness of the issues. We recommend that you contact your solicitor or, alternatively, contact:

**Ben Duggan at
DLA Phillips Fox on
8124 1881.**

Ben advises employers in all areas of workplace relations and employment law.



WHY ARE THE BEST BUSINESSES THE BEST?

DO YOU OFTEN WONDER WHY SOME BUSINESSES ARE SO MUCH BETTER THAN OTHERS, EVEN THOUGH THEY SELL THE SAME PRODUCTS OR PROVIDE THE SAME SERVICES?

Studies of businesses indicate that rather than simply being a little better than their competitors, they are in fact often three or four times more successful. Research into the reasons for success has concluded that such levels of superior performance were not an accident.

Thirteen factors have been identified as characterising the highly successful organisation (See below):

On a scale of 1 to 10 rate your business on how good you are **NOW** in addressing each factor. Be realistic. Then rate **WHERE** your business should be, and highlight the area with the biggest gap. Develop strategies and actions to lift your performance in the areas with the biggest gap.

While these factors may not all be practical for your business at any given time, they are definitely worthwhile objectives to strive for. Success is no accident.

- | | |
|-----|---|
| 1. | A strong sense of identity felt throughout the organisation. |
| 2. | An openness to change. |
| 3. | Authority diffused broadly throughout the organisation. |
| 4. | Ideas evaluated more on their merit than on their origin. |
| 5. | A strong sense of support of the employees for the organisation, the organisation for its employees, and of the employees for each other. |
| 6. | Flexible organisational structure. |
| 7. | Orientation to achieve, more than to procedures or to ritual. |
| 8. | Open communications throughout the organisation: up, down and across. |
| 9. | Commonly held understanding of organisation's objectives and values. |
| 10. | Emphasis on a program for the development of people. |
| 11. | Meetings devoted more to problem solving rather than win-lose propositions/decisions. |
| 12. | Broad content in individual jobs. |
| 13. | High performance standards. |

CLIENT PROFILE

TAX AND GOVERNMENT AUDIT INSURANCE

At McCormack Reynolds we have noticed a definite increase in audit activity by the Australian Tax Office. We are assuming that this is in response to the Government deficit and general fiscal tightening.

The Tax Office has extended and promoted its audit program for individual taxpayers and businesses, promising that most individuals and business operations will be scrutinised sooner or later. A business audit focuses on professional persons, incorporated or unincorporated entities and self-employed taxpayers. These audits can result in significant and unexpected costs to your business.

One solution is to take out Tax and Government Audit Insurance.

Depending on the insurance you take out, it usually covers things like:

- the cost of all enquiries, reviews, investigations and audits of your returns
- claims for queries on BAS, GST, WorkCover, Land Tax, Payroll Tax, Superannuation Guarantee Charge, Self Managed Super Funds, Research and Development, FBT and other audits
- includes specialist's fees, for example, if you need a lawyer for an opinion or defence
- is tax deductible.

For further information on Audit insurance contact your accountant at McCormack Reynolds.

Introducing Rolf Binder Wines

Q: Rolf Binder Wines is steeped in a wonderful family tradition. How much have these family values contributed to your business success?

A: Having somewhat traditional European parents where the son was destined to take over I was very fortunate that my parents always encouraged me to be part of the business rather than creating it themselves and expecting that it would just happen. My sister Christa and I run the winery together. The reason for our success is that we trust one another and have clearly defined roles.

Q: Based in Tanunda, in the beautiful Barossa Valley, Rolf Binder Winery produces both table and fortified wines. What is it about the region that makes it ideal for producing superb wines?

A: The Barossa does have a unique ability to produce a style of wine that has caught on with great success in an international perspective. Why do we make such wines? – it is our climate and the soil that helps, but the real reason is that in the mid 90's a few winemakers started to push the envelope from the previous safe wines we used to make. We changed our perspective to seek deeper richer flavours in our wines. If you are a purist, the Barossa is not the perfect region but we have managed to change that. A few reputable wine critics tasted and saw the uniqueness of what we had done and this has become the "Barossa style". Other Barossa winemakers aim to emulate it, and wine consumers want to drink it.

Q: Your flagship wine "Hanisch Shiraz" 2005 scored 98/100 Parker Points. What is it about this drop that makes it so rare and exclusive?

A: In my early years of winemaking I always noticed that a particular patch of grapes made wine far superior to any other we had in the cellar. Hence the Hanisch was born. It is different - during fermentation, the cellar workers always marvel at its colour, taste and intensity. It always astounds. During its maturation, it is always deeper and more pure in flavour than any other wine. I could get technical and explain the soil but this wine is far beyond what the soil gives it. Its rarity and exclusiveness comes from the fact we do not make a lot of it (6000 bottles maximum) and we are careful how we distribute it. It is my philosophy that it should appear in as many markets as possible to give the wine the exposure it deserves but when you divide the volume made by the number of markets there is not a lot to go around.

Q: Exporting into an already crowded US and UK market must not be easy yet Rolf Binder Wines have done this so well. What has been the key to your success?

A: Having a very strong relationship with the people who are physically on the ground selling your product. These people are the only ones who have a very close relationship with the retailers and on-premise outlets that sell my wine. This involves regular visits, and many hours being driven in cars around meeting people and talking about my product. My wine has to be a priority to them. Associated with all of this you have to deliver a product that the buying public actually want and will enjoy and return for more!

Q: How do you ensure that your vineyard is preserved for future generations?

A: I am the custodian for the future. Over the past few years, we have dramatically changed our practices to be in more harmony with nature. In my business, a healthy soil is my future. We have taken the steps to become more sustainable in what we do and now practice the principals of biological farming. Simple steps, such as minimising our spray regime in the vineyard, has saved us money and seen a gradual return of native animals to their true habitat; along with knowledge that we are not harming the soil or overloading the grapevine with chemicals so that it cannot naturally cope. A living soil has seen our worm numbers dramatically increase which in turn gives us healthier vines that become stronger to cope with the elements.

Q: Rolf Binder Wines produces such a wide variety of wines. As the winemaker do you have any particular favourites?

A: I am extremely passionate about the variety Mataro – to me it is the expression of the Barossa and makes a great wine. It always displays the characters of the soils it is grown in, and adds a dimension of purity and backbone to the wines to which it is blended. It is also a vital and contributing part of our famous Bulls Blood Shiraz Mataro blend, so why shouldn't I like it? The variety also adds a layer of complexity to our Heinrich Shiraz Mataro Grenache blend, which I consider my house red drink. Christa's Eden Valley Riesling is great for a relaxing drink or a light meal, and I do love to treat myself to a nice Tokay on a cold winter's evening or, in fact, most evenings.



Q: There is a great community spirit in The Barossa Valley and your winery plays host to many events from classical concerts to pizza nights. How much do you believe in this involvement?

A: Anywhere were people gather and have a happy socialising time is important for them personally as well as good for the community. We are lucky that the Barossa has a sense of place, the community is interwoven, and we can say we all know one another. The result of this is that we can pull together when we need to, and we can feel unabashed to have lots of fun when we want to. The Barossa is a region where people truly live for two reasons - to work, and more importantly, to be part of a lifestyle that is hard to beat anywhere. To sit under our verandah at the winery on a perfect spring, summer or early autumn evening hearing the buzz of many people enjoying great wine and great pizza does give me a satisfaction that I am contributing to this great region.

Q: If you could pass on your key business tips what would they be?

A: Have the utmost confidence in what you do and make sure you do it well, but enjoy it at the same time

- Always learn from the leader in your business and do not be scared to use to your advantage what works for them
- Employ staff that are suited to your business and that will give it the edge it needs
- Create a good spirit of cooperation and togetherness amongst your staff
- Speed in business is vital and make sure you have a precise but accurate speed to your business. I live by the rule that "it is not the big that eat the small, it is the fast that consume the slow."

Thank you Rolf for sharing some of your insights into business and winemaking.

Rolf Binder Wines Cellar Door Tasting and Sales

Monday to Saturday 10:00am - 4:30pm
Corner Seppeltsfield and Stelzer Roads, Tanunda
Telephone: 08 8562 3300

RIDING THE BUSINESS LIFE CYCLE THE START-UP PHASE

SADLY, THERE IS NO SUCH THING AS A PERMANENTLY GREAT BUSINESS. EVERY BUSINESS GOES THROUGH A NATURAL LIFE CYCLE FROM START-UP, TO GROWTH, MATURITY AND – UNLESS YOU ACT TO AVOID IT – DECLINE.

In *Creative Destruction*, Richard Foster and Sarah Kaplan surveyed the fortunes of 1,008 large US companies between 1962 and 1998, including some globally recognised brand names. Amazingly, only 160 turned out to be long-term survivors. Their conclusion was that businesses that constantly renew themselves survive and prosper over the long term.

There are two lessons here for Australian small business owners. The first is that you need to understand where you are in the business life cycle and what you need to do to succeed in that phase. The second is that you need to choose the right time to make your exit.

There are four key phases in the business life cycle:

- The start-up phase
- The growth phase
- The maturity phase
- Exit strategy / succession.

The start-up phase

Starting your own business is a real test of your personal courage and commitment. It's exhilarating, stressful and dismaying, sometimes all at the same time. This is when you get to make your vision a reality — and when you're forced to come to terms with the realities of paperwork, red tape, unpaid invoices and seemingly endless bills.



PEOPLE POWER

McCormack Reynolds is delighted to announce a three year sponsorship with Grange Surf Life Saving Club.

Ben Reynolds has a personal involvement with Grange SLSC with his wife Lisa having been a junior member and now with one of their daughters, Anouska, currently a Grange 'nipper'. McCormack Reynolds will be supporting one of Grange's surf boats.

Surf Boat rowing has been an integral part of Australia's iconic Surf Life Saving movement since 1905 when double ended planked whalers were used for rescue. Now used for competition only with fibre glass boats equipped with carbon oars the boat area of a Surf carnival is where the action is. Starting in the shallows in heats of six the crews leap into their boats rowing out through the break urged on by their sweep to the turning buoys some 400 metres out to sea.

Turning the 'cans' they head for home chasing any wave the sea will offer to be first to the line back at the beach. Like all Surf Life saving Clubs, the Grange Surf Life Saving Club is an entirely voluntary not-for-profit organisation. Their aim is to provide a safe beach, swimming and/or surf environment for beach goers.

The Club was established in 1955.

McCormack Reynolds is also sponsoring Rostrevor Old Collegians Football Club (ROCS) in the South Australian Amateur Football League.

It is not surprising given that Team members Campbell Milne, Tom Carr and Tim McCormack went to school at Rostrevor with Campbell and Tim also having played for ROCS. Given Tom Carr's experience playing in the AFL and the SANFL he may also end up playing for the ROCS but his post graduate accounting studies are currently taking precedent.

Rostrevor College has had a long and successful association with football since it was founded in 1923.

To do list:

- Register for an ABN and GST (if required)
- Create a system for tracking and managing cash flow
- Design a business that will support the lifestyle you want, not the other way around
- Establish your unique selling proposition and business niche.

Don't forget to...

- Make sure you have some finance, such as an overdraft, to cover unexpected costs.

McCormack Reynolds Seminar Series - The Business Life Cycle

The importance of the four phases of the business life cycle cannot be overestimated. McCormack Reynolds will be conducting four free workshops over the coming 12 months to cover the four phases.

The first workshop will be:

The Start-up Phase

Where: Vileroy Restaurant

27 Kensington Road, Norwood

When: Tuesday 25th August at 7:15pm

Presenters:

Tim McCormack and Ben Reynolds

At the conclusion of the presentation there will be a light supper. There is limited room for a maximum of 25 guests. Please contact Justin Hogan to reserve your seat.

If you know of anybody who is starting up a business or buying into a business, please inform them of the workshop and they can phone Justin Hogan on 8161 1000.



Rostrevor old scholars, prior to 1974, played with the closely related Christian Brothers College Old Collegians.

Rostrevor Old Collegians' Football Club was then established in 1974 and has since won a total of twelve premierships.

It took 13 years for the Club to reach A1, but since 1985, with the exception of year 2000, it has been a permanent member of the A1 and A2 grades. From 1980 to 1998 there was only one season when the Club did not have a team in a Grand Final.

McCormack Reynolds

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Please contact your accountant at McCormack Reynolds for advice on specific matters.