

Issue No 3 - October 2001

Editorial Comment

• 3rd Quarter Business Plan

All companies who were registered for ACIS for Q1 2001 should now be aware of their annual Business Plan Update obligations.

The updated Business Plan must be lodged by 14 November 2001 along with the third quarter return. The period covered by the updated plan will be 1 January 2002 through to 31 December 2005.

To minimise the impact of future modulation rates, participants should ensure that their revised Plans are as accurate as possible and take into account 'known' factors and not merely represent a 'wish list'.

Data to be reported for the period 2002 to 2005 (in addition to an estimate for Q4 2001), is as follows:

- (1) *Estimated Sales Values of ACIS Goods and Services;*
- (2) *Estimated Investment in Plant & Equipment (excluding operating leases);*
- (3) *Estimated Investment in Plant & Equipment via Operating leases;*
- (4) *Estimated Investment in R&D (excluding contracted and overseas R&D);*
- (5) *Estimated Investment in contracted R&D (excluding overseas R&D); and*
- (6) *Estimated Investment in overseas R&D.*

The updated Quarterly return form is available from the AusIndustry website at www.ausindustry.gov.au/acis, or contact one of our team members below for assistance with the updated business plan.

Modulation for Q3 2001 is still a factor of 1.00, but the content of updated Business Plans submitted may necessitate a revision to a factor of less than unity, depending on whether the projected claims over the life of the Scheme appear to be exceeding the \$2 billion fiscal cap.

Disclaimer - Before relying on the information contained in this newsletter, users should independently verify its currency, completeness and relevance for their purposes, and should obtain any proper professional advice. In particular, users should seek more detailed independent professional advice before making any investment or business decisions.

Stop Press! Beazley hints at new auto Tariff freeze

On the campaign trail in Adelaide 15 October, Opposition Leader, Kim Beazley has hinted that a favourable review of post-2005 automotive tariffs under a Labor Government would see a further post-2005 tariff freeze. Whilst not going all the way with a definitive commitment in what is still a volatile election atmosphere, Beazley said his Government would review 'the level and nature' of assistance to the automotive and textile industries before current arrangements expire in 2004. The review was to pay particular attention to "the state of local industries and to the movement of tariff and non-tariff barriers among competing nations." Helping listeners to make the obvious conclusion, Beazley further added, Labor would "act in the interests of South Australian workers and the many companies that will be affected by tariff reductions."

Feature: Relieving the monotony of R&D data collection

Rather than vesting the responsibility for all data collection in one or two key people and run the risk of missing out on claimable R&D activities, we suggest you try the following:

- (a) Firstly, get the 'buy-in' from management.
- (b) Identify key departments/personnel involved and set up a project team. The task then becomes simpler and more rewarding.
- (c) Devise a simple labour tracking spreadsheet with automatic claim calculators to make the task less tedious.
- (d) Set up an internal reporting timetable to avoid the rush of meeting the 45 day AusIndustry deadline (and missing out on claimable expenses)
- (e) Consider developing a comprehensive list of claimable versus non-claimable activities by department - as a handy reference guide - which can be updated as and when required.

Need some tips? TCF Services are able to provide hints and guidelines to interested participants or provide more complex solutions and tools to those who are in a position to take up suggestions because they are not yet 'capping out' under the ACIS Scheme.

Duty Refunds - Still some timing problems

As mentioned in our previous newsletter, Refunds can now be lodged against eligible imports from 1 January 2001 using ACIS credits. Whilst Customs have changed their security profile for Refunds from Red line to Green line for 90% of Refund entries lodged, the new Green line profile will not take effect for Refunds relating to original Customs entries dated from 1 January to 17 August 2001 as Customs would need to engage and pay a fee to their external software provider to do so. Instead they have asked their regional offices to expedite any ACIS refund entries. The timing difference between Red and Green line is 14-21 days. Refund entries lodged that relate to original Customs entries dated after 17/8/01 will be processed on a 90% Green line basis.

Do you have surplus auto credits looking for a home? TCF Services wants to buy them. We operate Australia's largest brokerage and transfer service.

Need an ACIS solution or questions answered? Then contact any member of our ACIS team on the numbers below.

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Comments? / Feedback? Is there anyone you would like to add to the AAI Advisor's mailing list? **E-Mail their details to: kristine@tcfservices.com.au**