

Poole Group

ACCOUNTANTS & INVESTMENT ADVISERS

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staff news

We are now upon the silly season and only a few weeks away from Christmas. It's hard to believe how a whole year has rolled around so fast. The 2011 year has brought us many eventful milestones – new technology, more social gatherings, new young staff, new clients and more work! Our last quarter has been the busiest!

The Poole Group has continued to host their bi-annual conferences in Vanuatu, with the last one held in November. The topic for this conference was 'Planning ahead in troubled times'. The conference was another huge success with attendees enjoying their time away and all walking away with a wealth of information. We will continue the conferences into 2012 with the first one of the year booked for March. See below for more details.



For the month of November, the boys donned their annual Mo's to raise funds and awareness for Men's Health, specifically prostate cancer and depression in men. Several events including Car Washes, Poker Games and Mr & Miss Movember competition were held to motivate the boys to continue sprouting their moustaches for the month. The boys were very successful in raising awareness with Joe Bisco taking out Mr Movember and Dale Fenwick being crowned Miss Movember. We were able to raise about \$1000 towards the cause. A special mention also to some of our clients who are part of the 'Old



Goats' Golf Team from Headlands Golf Club, who raised \$325 which will be put towards Poole Groups

Movember Donations. We thank them for their generosity. For more Mo photos, follow us on our Facebook page.

On the same day of the crowning, we also congratulated Kristy Lee who celebrated her 21st Birthday. Kristy is part of Kerry McManus' team and has been with Poole Group for 5 years now. We're glad that we have been able to join her in celebrating 2 milestone birthdays (18th and 21st).

In this summer edition we'll bring you business performance articles which will assist you in business review and planning. This will be the start of many in a series of topics also including improving business performance and monitoring business performance. With Movember in mind, we also discuss the importance of having the right personal protection in place when serious health events arise. There are also other interesting reads in this eNewsletter.

So with Christmas fast approaching, we have a couple more social events for the end of the year. Watch out & "Like" us on our Facebook page to see photos of upcoming events.

The Management and Staff at the Poole Group would like to take this opportunity to wish you and your family a very Merry Christmas and a safe and prosperous New Year. We look forward to seeing you in the new year.



The team at Poole Group



Cougars and High School Sweethearts

Are you a 'Cougar' or did you marry one? Or maybe you fell for someone your own age? In any case, there's a little known super strategy that you need to hear about. Did you know that it is possible to allocate some of your super contributions each year to your spouse? This is a powerful strategy, especially for couples where one (the cougar) or both (the high school sweethearts) are approaching retirement.

First, let's take an example where Demi is about to retire and she is a few years older than her husband Ashton. By allocating some of Ashton's super contributions to Demi over the past few years they have built up Demi's superannuation account balance. This has two main advantages when Demi retires at age 55:

1. As Demi now has access to more funds, she can choose to withdraw up to \$165,000 as a lump sum from her superannuation account balance which is completely tax free and/or;
2. Demi can choose to turn her superannuation account balance into a pension. As Demi has the larger account balance in pension mode within the super fund, the majority of the income that the super fund generates is tax free. Therefore by paying less tax, this enables the super fund to generate more wealth and fund better lifestyle outcomes.

Now let's look at an example where David and his wife Victoria are both about the same age. David had a much larger superannuation account balance than his wife Victoria. Over the past few years, David has been allocating some of his super contributions to Victoria in order to boost her balance. Now that they are both about to retire at age 55, they have opened up the following options:

1. As David and Victoria both have sufficient funds available, they can both choose to withdraw up to \$165,000 as a lump sum each from their superannuation account balance which is completely tax free and/or;
2. They can both turn their superannuation account balances into a pension. Now the income generated by the fund is 100% tax free. By virtue of Victoria also having a large account balance and being able to spread the required pension payments across both of them, David will have far less tax to pay on the pension payments in his own name.

Whilst these are fairly simple examples, there are other issues to consider. Enabling a family group to access superannuation assets as early as possible may create some fantastic lifestyle opportunities for both husband and wife.

Hopefully this has started you thinking about your own situation and how this could work for you. So whether you're looking to have access to your superannuation as soon as possible, or looking for the most tax effective way to build wealth within your super fund, please contact myself (Anthony Poole), Stacy Barnes or David Darrant to discuss your options. Knowledge and understanding is the key to maximising your retirement outcomes.

Business Performance Series

Over the next few newsletters, we'll be bringing out a series of Business Performance Articles that will assist you in three key areas:

- Business review and Planning
- Improving business performance
- Monitoring business performance

designed to provide the small business owner with practical advice and ideas to implement within their business to help improve their business performance.

Visit the [Poole Group Website](#) under News → Articles for the first article in the series.

All three topics will have several articles focusing on specific issues relative to the main topic and are all

What does the Sunshine Coast University Hospital Mean to Local Business



There is a lot of hype and excitement about the new hospital in the press and government and how it will be the Sunshine Coast's own "resources boom".

We receive a lot of questions such as:

- What is going there?
- When will it happen?
- How big will it be?
- How will it help the coast?

The Sunshine Coast University Hospital ("SCUH") is actually only a part of the proposed Kawana Health precinct which will also house a 200 private bed hospital and a Skills, Academic and Research Centre, whilst across the road will be a medically focused business precinct with specialists and associated medical businesses and support services.

The first stage of the health precinct is the 200 bed private hospital which will be built and operated by Ramsay Health Care. Earthworks have already commenced on this project and it is expected to be open in 2013. During construction it will employ up to 360 people and once completed will employ up to 700 permanent staff.

The public hospital will then follow in stages with the first 450 beds coming on line in 2016 and the balance up to a total of 738 beds will be open by 2021.

The hospital will cost around \$2.03bn. To put this in perspective the GDP of the Sunshine Coast at the moment is around \$9.0bn per annum. Therefore the hospital project itself will be equal to almost 25% of our local GDP!! On an ongoing basis it is expected to directly contribute \$0.5bn (5.5%) per annum to our local GDP. This doesn't take into account the multiplier effect of surrounding local businesses.

Construction on the permanent hospital will be commencing in 2013 and the first stage will open in 2016. During construction there will be a peak of 2000 construction workers on site and in total will create more than 11,000 construction related jobs during this period.

Once it is built there will be 3500 people employed there on a permanent basis. Of these it is expected that approx 2,500 people will be recruited from out of the Sunshine Coast area to meet the skills required.

The Skills, Academic and Research Centre itself will employ 150 people in both an academic and support basis and have facilities for 1300 students.

All up there will be over 3000 construction workers employed during the building phase and more than 4500 ongoing permanent jobs created within the 3 projects with over half these staff being recruited from outside the region.

On top of this will be the medical precinct across the road which will also add to the number of people employed in this immediate vicinity.

Once this health precinct is up and operational it will generate 15,000 visitors per day. A large number of these will be from outside the region and will travel here as opposed to going to Brisbane. Some experts are indicating it will save thousands of daily commutes to Brisbane by locals and patients from areas such as Gympie, Maryborough and Hervey Bay who will be able to receive the same high level of medical attention here on the coast.

In summary, the new hospital precinct has commenced and will not only generate a large number of construction jobs but also sustainable long term employment as it becomes the Coast's largest employer. Have no doubt, this will be the largest single economic driver that the Sunshine Coast has ever seen and the economic stimulus it will generate will deliver long term benefits to the whole of the Sunshine Coast region.

If you're in business in this area then watch this space and make sure you keep abreast of what's happening to make the most of the opportunities that will be generated.

2012 Vanuatu Conference

*Want to have as much
fun as these guys?*



Office Christmas Closure

***“Its beginning
to look a lot like
Christmas...”***

Time to give our staff a well deserved rest.

Our office will be closed from 5pm Thursday 22nd December and will re-open at 8:30am on Monday 9th January 2012.



*Or sail
away
like these
guys?*

**Come along and join us at the Poole Group
Conference -**

Date: 17th-21st March 2012

Where: Island Magic Resort, Vanuatu

Topic: “Planning ahead in Troubled Times”

For more information about booking, flights and accommodation, please contact Mellissa Hoeksema at the office (07) 5437 9900 or email Mell at mhoeksema@poolegroup.com.au

Staff Profile **Dale Fenwick**



- 1. Describe yourself in 3 words?** I only need 2: Ladies' man.
- 2. If you weren't doing this job, what would you be?** Professional bodybuilder.
- 3. What is something most people don't know about you?** I once won a game of Connect Four in 3 moves.
- 4. If you could have dinner with one living or non-living person, who would it be and why?** Warwick Capper, for comedic value.
- 5. What is the one thing you cannot live without?** Guitar?
- 6. If my house caught fire, the first thing I would grab...** Guitar?
- 7. I wish I had...** The ability to cook. At all.
- 8. Best thing about living on the Sunshine Coast?** Just getting my tan on.
- 9. Most enjoyable part of working at Poole Group?** Definitely Don's magic tricks. Highlight of my professional career to date.
- 10. If you knew today was your last day on Earth, how would you spend it and why?** Take someone's clothes at a public shower and only leave them with a funny costume to wear. Spontaneously break into a rockin' rendition of 'Wheels on the Bus', while travelling on public transport. Get on TV for streaking at a sports event. I could go on...

December 2011 Investment Report

Earnings – Looking for Growth in 2012 ?

At the time of writing this report the month of November saw the ASX 200 drop 200pts or - 4.7%. The rollercoaster between black and red continues however we have been using the red to buy quality at compelling yields of 7% plus 3.5% franking credits in all of the big 4 banks. Whilst the European crisis is being played out we have seen that buying around the low 4100 point level has rewarded long term investors. We have seen on at least four occasions in the last 5 months the ASX 200 continuing to find support base around the 4100 level. So whilst we may be looking for growth we have focused on what income we can earn from investments.

How will a European recession affect Australia?

The European debt crisis threatens Australia's outlook in three ways. First, it can crush confidence, second it may undermine the ability of the banking system to fund growth in the Australian economy, especially resource projects and third, it could indirectly affect the economy if Asian exports to Europe collapse as a result of plunging demand.

The direct impact is marginal as shown in the following graph, with just over 4% of Australian exports going to the Eurozone and less than 1% to the PIIGS (Portugal, Ireland, Italy, Greece and Spain). As such, according to Morgan Stanley, their research says that Eurozone policy has no direct bearing on Australian policy, however with global economic weakness should encourage the Reserve Bank to deliver further rate cuts. We recently had an economic briefing with Mr Bill Evans Chief Economist of Westpac and he felt that another 3 interest rate cuts of 25 basis points each (0.75%) should be made by the RBA over the next 6 months.

Figure 1: The Eurozone Takes Just 4% of Australian Exports



Source: ABS, MSSB Research

Despite the negative there are some Positives.....

Cash coming into our Market

Despite slower global growth, Morgan Stanley Smith Barney (MSSB) argues that Australia's GDP is highly likely to accelerate in 2012. This is because last year we were affected by Queensland floods and Cyclone Yasi which adversely impacted coal production, agricultural production and tourism all being adversely affected, whilst higher food prices squeezed consumer spending. As such, MSSB research predicts the Australian economy will accelerate from 1.9% to 3.25% for the full year, other

things being equal, and real GDP growth contributes to profit growth for solid companies. Another point that MSSB makes in the same report is that US money market mutual funds are increasing exposure to Australian banks at the expense of European banks.

On 1st July 2012, employers will increase compulsory superannuation to their employees from 9% to 12% which ultimately means a huge influx of cash will have to find its way into the Australian share market, especially when the "employment rate" is sitting around 94%. However, this may affect wages growth over the next 12 months which ultimately affects consumer spending, but if further interest rate cuts occur as suggested above this may provide some relief to the consumer, the householder and the retail sector.

In the month of December there is a significant amount of capital being paid to stock market participants in the form of dividends and cash takeovers. It is estimated that nearly \$16 bn has the potential of flowing back into the market from ANZ's dividend (\$1.4b payable), NAB's dividend (\$1.36bn payable) WBC's dividend (\$2bn payable) and the takeover of Macarthur Coal (\$4.8bn) and Foster's (\$6.3bn).

Interest rate cuts

All eyes will be on the RBA and their monetary policy as they have a long way to catch up if we look at how recently the trading for Commonwealth Government bonds have been sold down. (A coupon rate of 4.75% and maturity date of 15th Nov 2012 and the yield is 3.28%). This illustrates a "flight to safety" as investors and institutions invest in fixed interest in volatile times however these rates are considerably less than the current RBA cash rate of 4.5%. Bell Potter's research agrees with Mr Bill Evans suggesting that this is a sign that further rate cuts should occur in the short term.

A Lower Australian Dollar

The Aussie Dollar has retreated over the last quarter, easing a headwind that has adversely impacted the profits of Australian multinationals and exporters alike. So if the Aussie dollar retreats and stabilizes beneath parity to the US dollar, it should be positive for the Australian economy and Australian equities.

To conclude, in tough times the words of a great contrarian investor Sir John Templeton said "*Bull markets are born on pessimism, grow on skepticism, mature on optimism and die on euphoria. The time of maximum pessimism is the best time to buy and the time of maximum optimism is the best time to sell*". So as we look to see whether our market closes above 4300 points for the 5th time this year, we watch with interest to see how the European crisis unfolds and any uncertainty can be seen as an opportunity to invest in solid businesses paying healthy dividends with sustainable business models.

Good investing
Kirk Jarrott



Driving Ambition

Have you ever noticed when walking in a busy shopping mall, how we all seamlessly engage with other pedestrians, move fluidly and avoid bumping into each other? And yet we have no markings, signs or methods of signalling our intention. Or have you noticed when you approach a doorway at the same time as someone else, both of you instinctively move to the side, offering for the other to go first and with a simple wave of the hand and a pleasant smile, both of you continue on your way? Put the same two people in cars and put them in a situation on the road that requires them to merge, change lanes or give way and the likely outcome is significantly different – it usually involves hand gestures, blaring horns and flashing lights.

Isn't it strange how, when we are cocooned in a metal box on wheels, we lose our ability to use common sense and show some common courtesy.

The performance of drivers on the road has the largest impact upon road crashes. It is widely viewed that driver behaviour contributes in some degree to 93 per cent of all road crashes.

What drives our behaviour behind the wheel?

Undoubtedly, the method in which we were taught how to drive is a contributor or how we react to certain situations would be another. Our perception of safety or risk appetite has a part to play too. There is a theory that we become 'removed' from hazards due to the increased safety features, lack of road noise and modern luxuries in our cars and this increases our appetite for risk. However the real influence upon our general and driving behaviour is our Attitude.

Consider A B C D

Attitude, determines Behaviour which results in a Consequence in our Driving.

The wrong Attitude is more likely to lead to poor behaviour which leads on to a negative consequence in our driving – a Crash. Good attitude is more likely to lead to better behaviour behind the wheel which in turn has a positive impact in our driving – Courtesy.

As the world becomes more tempestuous and demanding, we are NOT taught how to drive any more. Instead, we are taught how to PASS the test. It's as though we need that short-cut, fast-tracked pace to getting our driving licence quicker, simpler and easier.

We've all been a young driver at some stage and I'm sure we can all recall a time when we felt we were invincible, confident and carefree. The parts of the adolescent brain which develop first are those which control physical coordination, emotion and motivation. However, the part of the brain which controls reasoning and impulses - known as the Prefrontal Cortex - is near the front of the brain and therefore develops last. This part of the brain does not fully mature until the age of 25. It's after this age that we have a better understanding of consequence. So, are we really happy to put a 17 year-old behind the wheel of a machine capable of 200km/h along with other road users a full eight years before they fully understand the consequences of their actions?

Twenty-six per cent of all drivers and 32 per cent of all vehicle passengers killed on Australia's roads are aged between 17 and 25. This age range accounts for the highest proportion of deaths on Australia's roads.

Young drivers on our roads need to gain experience but their inability to fully understand the consequences of their actions contributes to their bad attitude which undoubtedly results in a greater proportion of poor behaviour and therefore negative consequences.

We all have a duty to pass on our own experiences to the younger generation – be it family, friends, neighbours, work colleagues or other road users. You can start by setting examples to the really young in your demeanour and attitude when driving – they can still watch and observe from the back seat! Next, when you are coaching and helping your son or daughter as an 'L' plater, be sure to seek advice and read up on better driving skills and not just do the minimum so that they can pass the test. Finally, advise them on the prudent choice of car in their earliest years on the road – something safe and reliable but not high performance.

Regardless of your age or experience in driving, please consider your responsibilities and set a good example to our younger drivers so that they may improve their attitude. Doctor William Glasser, a US psychiatrist who specialises in education, management and personal responsibility, conducted research into the learning process. What he found was that we remember 10 per cent of what we read; 20 per cent of what we hear; 80 per cent of what we practice; and 95 per cent of what we teach someone else. So, if you only remember 10 per cent of what you read of this article, make sure it's the fact that you remember 95 per cent of what you teach others.

Movember



A month of hairy upper lips and awareness of men's health.

You don't have to wait until you are sick to see a doctor. The fact that in Australia 1 in 2 men are diagnosed with cancer and 1 in 8 men will experience depression in their lifetime, should highlight the importance of staying on top of your health.

- Men live on average 5 years less than women.
- Almost twice as many Australian men die of skin cancer than women, the fourth most common cancer among men.
- A man's life span is affected by genetics (24%) and modifiable risk factors (75%).
- More than two thirds of Australian men are overweight or obese – increasing their chances of many diseases.
- More than 5 men die prematurely each hour from potentially preventable illnesses.
- Every cigarette you smoke takes 8 minutes off your life. Smoking a pack per day for 20 years reduces your life expectancy by 13 years.
- Men account for 70% of alcohol related deaths.
- The suicide rate is 4 times higher for men than women.
- 75% of people with diabetes die from cardiovascular diseases.
- One third of men have not seen a doctor in the past year. 10% have not seen one for five years.

These alarming statistics not only highlight the fact that men are not bullet proof like most of them would believe but also shows the importance of having the right personal protection in place when serious health events arise.

If you had a car sitting in your driveway worth \$1,000,000 there is no doubt you would ensure that you had the right insurance cover on it. Even though you might get it serviced regularly there is still the risk of it braking down, running into someone or a third party hitting the car. The same situation applies to you as an income earner, a husband and a father. Without the right insurance in place you run the financial risk of not being able to rely on an income stream or a lump sum when health events occur.

Income protection will provide a monthly replacement of income if you are unable to work due to a disability. The disability could be something as simple as a short term back issue through to stress, depression, cancer, permanent physical injury etc.

Trauma protection provides a lump sum benefit on diagnosis of major health issues such as cancer, heart issues, neurological issues and physical disabilities. Importantly, trauma protection is paid on diagnosis to cover specialist medical costs, additional income, short term lifestyle change etc. As income protection is a monthly replacement of income, having trauma protection provides additional lump sum financial security.

Total & Permanent Disability (TPD) is the third type of disability cover available which provides a lump sum benefit in the event you suffer a long term illness/injury where you are unlikely to work again. This type of cover can be used to clear debt and provide additional income streams where required.

Term Life cover provides a lump sum benefit in the event of terminal illness or death. The level of cover should be sufficient to clear outstanding debt and cover ongoing living and children costs.

As your situation changes, your insurance portfolio needs to be reviewed every 12-24 months to ensure the level

of cover and policies reflect your current needs. Apart from having the right personal insurance in place, listed below are some ways you can start making an immediate change to your health.

HAVE AN ANNUAL CHECK-UP – Men typically don't see a doctor for an annual check or when they feel sick. Get regular checks – preventative screening tests and immunizations are among the most important things you can do to stay healthy.

DON'T SMOKE – If you do smoke. Stop! Compared to non-smokers, men who smoke are about 23 times more likely to develop lung cancer. Smoking causes about 90% of lung cancer deaths in men.

BE PHYSICALLY ACTIVE – If you are not already physically active, start small and work up to a minimum of 30 minutes of moderate physical activity most days of the week.

EAT A HEALTHY DIET – Fill up with fruits, vegetables, whole grains, include lean meats, poultry, fish, beans, eggs and nuts and eat foods low in saturated fats, trans fats, cholesterol, salt (sodium) and added sugars.

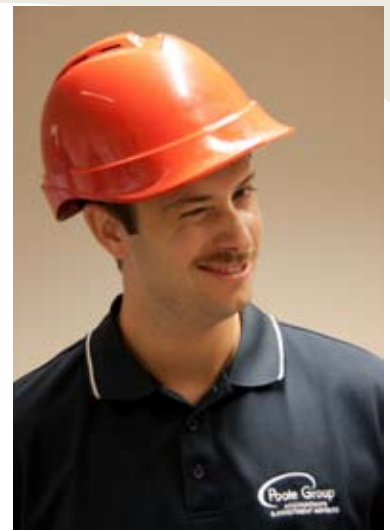
STAY AT A HEALTHY WEIGHT – Balance calories from foods and beverages with calories you burn off by physical activities.

DRINK ALCOHOL ONLY IN MODERATION – Alcohol can be part of a healthy balanced diet but only if it's in moderation, which means no more than two drinks a day.

BE AWARE OF YOUR FAMILY HISTORY – Make sure you take the time to find out about the medical history of your family; a number of health issues are hereditary and being informed can make all the difference.

Article written by Hayden White, Representative of Poole & Partners Investment Services Pty Ltd, November 2011.

This article has made reference to information supplied by beyondblue, Prostate Cancer Foundation of Australia, Movember, Foundation 49.



2011 FBT – Christmas Parties & Employee Gifts

Christmas is quickly approaching and plenty of you will be planning your end of year Christmas parties and gifts for your employees. There are important decisions to be made in terms of venues and drinks. Below is a summary chart of Entertainment & Gifts. A simple rule is that the more exuberant the function or gift, the greater the chances of incurring Fringe Benefits Tax (FBT). The cost of providing a Christmas party or gift is only income tax deductible to the extent that it is subject to FBT.

The tables below outline the key areas of FBT and Christmas:



Entertainment – Employer's Premises	
Current Employees (And their family members) per person limits	
Food & Drink on work day, any cost for employees	No FBT, No Deduction
Food & Drink on work day < \$300 family members	No FBT, No Deduction
Food & Drink on work day > \$300 family members	FBT, Tax Deduction
Recreation (Band, etc.) <\$300 per guest	No FBT, No Deduction
Recreation (Band, etc.) >\$300 per guest	FBT, Tax Deduction
Clients, Suppliers etc.	
Food & Drink (any cost)	No FBT, No Deduction
Recreation	No FBT, No Deduction

Entertainment – Restaurant/Other Venue	
Current Employees(And their family members) per person limit	
Food & Drink <\$300 per guest	No FBT, No Deduction
Food & Drink >\$300 per guest	FBT, Tax Deduction
Recreation (Band, etc.) <\$300 per guest	No FBT, No Deduction
Recreation (Band, etc.) >\$300 per guest	FBT, Tax Deduction
Clients, Suppliers etc.	
Food & Drink (any cost)	No FBT, No Deduction
Recreation	No FBT, No Deduction

Entertainment – Christmas Gifts	
Current Employees (And their family members) per person limit	
Cost of Gift <\$300	No FBT, No Deduction
Cost of Gift >\$300	FBT, Tax Deduction
Clients, Suppliers etc.	
Gift (any cost)	No FBT, No Deduction

Non-Entertainment – Christmas Gifts	
Current Employees (And their family members) per person limit	
Cost of Gift <\$300	No FBT, No Tax Deduction
Cost of Gift >\$300	FBT, Tax Deduction
Clients, Suppliers etc.	
Gift (any cost)	No FBT, Tax Deduction

Key Terms Explained:

There are important decisions to be made in terms of venues and drinks but in deciding all of this the consideration for possible *Fringe Benefits Tax (FBT)* and income tax implications for “entertainment” need to be considered.

Essentially, a Christmas party and gift may be exempt from *FBT*, even if provided at the same time, as long as each cost is less than \$300. Basically, for a Christmas related benefit (food, drink, gift etc.) to be exempt from *FBT* its total value per head needs to be ≤\$300.

\$300 Minor Benefit Threshold Tips:

- ✓ The \$300 threshold can be applied separately to each employee and each family member i.e. spouse can receive \$300 in benefits as well.
- ✓ Expenses can be allocated by two methods “*the exact costs attributable to each individual*” or when this isn’t clear a “*per head*” apportionment.

When an employer decides to hire a band or other entertainer, the entertainment is classified as “Recreation Expenditure” and the proportion that relates to clients, suppliers etc. incurs no FBT and no deduction.

Gift Categories

There are two categories - gifts that constitute entertainment and gifts that do not constitute entertainment.

Gifts which are entertainment:

- ✓ Tickets to movies or sporting events etc.
- ✓ Admission to Dreamworld example or a holiday airline ticket.

Gifts which are not entertainment:

- ✗ Christmas hampers, bottles of whiskey wine etc.
- ✗ Pen sets, flowers, perfume, gift vouchers etc.



Don't let the 'Cloud' rain on your parade

So you may have heard a lot about Cloud Accounting lately, but have you thought about other Cloud Applications?

You can't deny that the new technology buzz word is 'Cloud'. It has been around for a while now, but businesses have only caught onto the concept in the last couple of years. With the likes of Mobile devices & Tablets, everyone is going mobile. It was only a decade ago that businesses were driving the developers in the technology market but its now the consumers who are paving the way as to how apps are developed.

CLOUD SOFTWARE

I recently sat down to my one of my favourite TV shows, NCIS LA. For the past few episodes, the NCIS agents would use their mobile devices to upload photos of evidence or people that want to identify to their 'Sky Drive' so that techno buffs back at the agency could access it instantly and analyse on the spot. So, being the technology inquisitive person I am, I had to find out what this 'SkyDrive' was all about.

Microsoft has gone head to head with the likes of Google docs and Dropbox. 'SkyDrive' is a Free Windows Live product that gives you an online solution to storing photos/videos as well as storing and editing Word & Excel docs on the go. The free online version of Word & Excel (along with PowerPoint) is quite impressive. It's almost identical to the paid version that you install on your computer. So you ask, why pay for it? Why not use SkyDrive all the time? Well, at the time of writing this article there are *editing limitations* with using it on mobile device browsers such as iPad/iPhone's browser, Safari and also Android's browser. However I can't imagine Skydrive apps for Apple & Android devices are far off.

But if you're just using it to store docs in the cloud when going between home and your work PC, or your Windows Mobile device (Windows 8 mobile devices are coming soon), then SkyDrive is the best online storage product that's out there. Here's why:

1. It also works seamlessly with Office 2010. Save straight to Skydrive while using it on your home or work PC
2. You can delegate permission on files and folders and share them amongst other SkyDrive users.

3. Edit Word & Excel documents using your internet browser without degrading the format of the document.
4. Access your photos from any of your mobile/tablet/PC.
5. It also gives you a 25GB of free storage space. Compare this to Dropbox's 2GB free storage, this is massive!

Doesn't matter if you use it for personal or use it for business, SkyDrive is a product to watch in the future.

CLOUD HARDWARE – Is there such a thing?

Google have recently come up with a new concept called the 'Chrome book'. It's basically a laptop that's optimised for the web. No programs to install, all your files are saved in the cloud and you're using cloud apps. Its selling point is its speed and simplicity. The Chrome book will boot up in a matter of seconds and resume instantly. As software is cloud based, all of applications are done online, no additional software is required. But...in my opinion, we're probably still a long way to becoming fully fledged in Cloud Applications. But this post is just to get you thinking and be aware of technology for the future. If you have a chance, check out <http://explore.live.com/skydrive>, it might convince you that cloud applications are the way to go.

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