

Motor Vehicle FBT Changes

The proposed change announced by the government took effect 16 July 2013 with the immediate removal of the 'Statutory Method' to calculate the fringe benefit on motor vehicles.

The statutory method will only be available to contracts entered into before this date. All new contracts entered into on this date and after will require the use of the 'log book' method. This method is more complex and difficult in that it requires an employer to track costs relating to each separate car, and relies on the employees who drive each vehicle, to adequately complete a log book for 12 weeks every four years, or whenever there is a significant change in the driving usage of the vehicle.

One of the largest areas to be affected will be to employees who 'salary package' cars with the benefits of the statutory method, which has given rise to a huge take up of vehicle salary packaging in recent years.

This will obviously have a large effect on employees who get the greatest benefit from the double combination of the Motor Vehicle FBT statutory concession and the further concessions available to those who work for charities and public benevolent institutions, which have the highest take up of motor vehicle salary packaging.

At this time, there is very little factual evidence, advice or legislation regarding these changes, other than the initial announcement. However, the change and its effect are quite simple and effective, with likely little change to what was announced if the legislation is passed.

If you have any concerns about how this change will affect your business, please contact us on 02 6686 3000.

Surf the Wave to Success Nov 2013

REMINDER to book by 6 September for Collins Hume's exclusive Business Development Conference in Telo Islands

We're counting down to our third International Business Development Conference 'Surf the Wave to Success'. To be held on a privately owned island in the pristine surrounds of the Telo Islands, and hosted by [Peter Fowler](#) one of Australia's premier Business Strategists and nationally recognised Young Business Leader, you'll achieve a work and play balance that will lead to greater success in your business. Call 02 6686 3000 or [email](#) to request an information booking form.



Do you need a Power of Attorney

Every business owner should consider what would happen to their affairs if they were unable to manage their affairs personally.

Before you find it difficult to deal with your own affairs, you should consider the appointment of a person to handle those affairs. A Power of Attorney is a legal document, by which you can authorise another person, or a number of people together, to act on your behalf:

- **General Power of Attorney** is where you appoint someone, usually for a specific time period, to make financial or legal decisions for you.
- **Enduring Power of Attorney** is where you appoint someone to make financial, legal and/or medical decisions for you in the event of you losing the capacity to make those decisions for yourself.

A multitude of risks exist in today's business environment. However an effective risk management strategy will improve performance, allow completion of goals and protect the value of your business. Call us on 02 6686 3000 to discuss your approach to risk in detail.

Create a 'service profit chain' to help performance during difficult times

There is no doubt that the vast majority of Australian businesses are operating in difficult times. And there are number of factors at play

- Federal election uncertainty, now partly solved with the announcement of an election date of 7 September 2013.
- Political party promises, and they have only just started the election campaign!
- Currency changes which, in the main, are benefiting exporters but causing some problems for importers.
- Interest rate lowering to 2.5% – good if you are a borrower, but no good for depositors. The lowering of interest rates underlines the difficult economic circumstances in which businesses are operating, "A bit below trend over the past year," says RBA Governor Glenn Stevens. Undoubtedly, most business operators will agree!

To navigate through this maze of uncertainties, businesses must embrace strategies to develop a 'healthy and engaged workforce', which will encourage loyal customers, and result in a healthy bottom line – a 'service profit chain' (a term coined by Harvard Business School in the 1990's). The challenges business owners need to face are:

- What **experiences** do you want your customers to have when they do business with you?
- What type of **culture** are your customers going to encounter when they do business with you?
- What are your business **goals**?
- What's the **philosophy** of why you are in business?

This will undoubtedly lead to the development of your people. To be successful in business, you need to develop capable people. Attention to this will lead to productivity improvements. Greater satisfaction and team loyalty will then contribute to the profitability of your business.

The other big benefit is that this will lead to greater customer service and satisfaction. An investment in people to deliver greater services will result in business improvement. But where do you start?

- What do you want your customers to **experience** when they deal with your business?
- What type of **culture** exists within your business?
- Consideration needs to be given to **rewards**, but rewards are not all monetary.
- How will these **strategies** show themselves?

The effect of these activities will manifest in your customer survey outcomes, business results and, ultimately, bottom line. This will contribute to a better staff retention rate and a more inclusive culture within your business.

How should you implement?

- Empower front-line people to fix problems without having to refer customer complaints or suggestions further up the line.
- Why not have a policy of 'just fix it'?
- Consider using technology to add value to the customer experience by creating activities such as 'chat facilities' to learn and solve customers' problems.
- Drive positive team behaviour by being absolutely clear on the purpose of the business.

What doesn't work?

- People being under-appreciated.
- Insufficient communication, especially to the front-line team.
- Inappropriate behaviour at various levels, senior levels in particular.

The 'service profit chain's' ultimate goal is customer loyalty. Loyal customers think differently about an organisation, because they are committed to your brand so leads to referrals to other potential customers. In many cases, loyal customers are easier to deal with, and price is not a factor to them. Loyal customers have already decided that they want your services, as long as the prices are reasonable. It's all about how you add value and how your customers enjoy doing business with you that leads to businesses gaining loyal customers.

Now is the time for a complete review of your business to see where improvements can be made, with emphasis on these two key areas: **happy, engaged workforce** and **loyal customers**.

If you would like us to undertake a business review utilising our 'Surviving in Difficult Times' system, please contact Collins Hume on 02 6686 3000

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Brainstorming business options grants performing arts troupe ability to soar

[Brainstorm Productions](#), Australia's most respected theatre in education, specialises in performance tours for schools that deliver bullying education and cyber bullying programs.

With 30 years' experience researching, developing and producing a variety of live education performances and programs, owner Jenny Johnson took her role just as rigorously when appointing a new accountant.

Jenny took particular care to audition several potential accountants and found that they varied in personality and style.

During that process Jenny met Collins Hume and [Peter Fowler](#) whom, she believed, dispensed business advice much like a good doctor; he listened, explained theory in ways she could fully understand, and who seemed to be onto things.

That was five years ago and in that time Jenny, working collaboratively with Collins Hume, has crammed in a number of key projects which have benefited her business.

Jenny had been thinking about updating her website as a way of enhancing the marketing. Peter Fowler flagged [government grant funding](#) as a way to expedite her marketing efforts which was subsequently obtained to employ a marketing expert to prepare a brief for a web designer to integrate SEO and online marketing strategies into the new website. Additionally, Jenny received funds to have her database system overhauled so she could mine data to increase efficiency and streamline the marketing to new and existing customers.

Part of Jenny's funding package also allowed for a business review to determine where further efficiencies could be made, where productivity and turnover increases might be achieved.

"It was positioned at a grass roots level and allowed me to tap into some fantastic resources to make it happen," says Jenny. "I have since employed someone out of this project to do our marketing, which is fantastic."

More recently, Jenny attended Collins Hume's Super Smart Seminar, "A lot of things I can do, I am doing already," says Jenny. "I had an existing fund but Collins Hume put me in contact with their wealth advisers who were on the same page as me."

Business and succession planning is the final piece in the puzzle, but Jenny has 12 months to use her grant funding so will schedule it at a more suitable time when she plans to tap into Peter's expertise in this area.

"Sometimes things arise, even if there's a problem, so it's nice to use Collins Hume as a sounding board and know that it'll be confidential. Their feedback gives me reassurance to get on with things."



"Collins Hume are always looking at my tax to find ways to manage income sensibly and prepare for the future," says Jenny. "They help with my cash flow as far as adjusting for tax and covering any spikes throughout the year. Most times Peter does it over the phone and from his desk, and then we meet each May to outline the plan for my super, spending and tax."

"Peter gets me and respects my position and perspective on matters. He always makes suggestions and then says, 'Whatever you're comfortable with' in terms of reaching a decision. He puts forward the many approaches we can take, explains the risks and understands that I'm cautious so encourages me to make a compromise to reach the best outcome all round. I never feel rail-roaded by this approach. We are very much on equal footing and have shared mutual respect from the word go."

"Peter lives and breathes his profession and is really focussed – it is clear that he loves his job and is across all the issues, however still maintains a good balance which is a sound reminder to me as a business owner."

Why your business efficiency and ability to grow profits and value increases with cloud accounting

Many accountants still drag the chain when it comes to introducing their business clients to cloud accounting technology.

Early adopters already know how well cloud-based accounting can save businesses considerable accounting and bookkeeping time thanks to the extra streamlining and out-of-office access it provides. Yet a recent survey found that only 14% of small and medium size businesses use cloud-based software to manage accounts.

The old way of accounting and the future look completely different to us. The rise of cloud solutions means confidently meeting business reporting deadlines with complete collaboration and transparency.

Business owners using cloud technology are more likely to work closer with their accountant throughout the year, and are in a better position to make informed decisions in a more timely manner because of having the latest information to hand.

The duty of completing tax returns is now just a formality, with real value provided by assisting business operators better understand their business and helping them grow its value. Cloud accounting has given rise to this, and there are a number of key players in the Australian market including Moneyworks Express, MYOB AccountRight and LiveAccounts, QuickBooks Online, Reckon Accounts, Saasu and Xero.

We can advise our clients at any point in time on how their financials are looking, and their current tax, GST and super obligations. Transactions are updated daily and accessed anywhere in the world via the internet to the extent that you could be on holiday whilst attending to your payroll and wages.

How can cloud accounting streamline your business in FY14?

Cloud accounting can enhance your business by freeing you to focus on growth by:

- Reducing data entry time
- Slashing bank reconciliations
- Making invoicing a breeze
- Payment tracking to smooth cash flow
- Knowing your financial position at any given time

Since collaborating with our clients on their cloud accounting systems, Collins Hume provides considerable extra value; data is live and linked 24-7 so we work with them to help make more of their businesses changes will affect how you operate in 2013, phone Collins Hume on 02 6686 3000 so we can expedite your knowledge and bring you up to date to swing into action.

The material and contents provided in The Strategist are informative in nature. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, seek professional advice from Collins Hume.



Meet Accountant and Tax Strategist Scott Anlezark

It's been a long time since Scott Anlezark donned a chef's toque in Scotland. Since returning to Australia in 2002, Scott has completed post-graduate study in accounting and is currently working on the final unit of his Chartered Accountant qualification.

"I missed surfing in warm water and our local waves so I came home," says Scott. "I turned to accounting because I wanted practical, real skills to be able to help people."

Scott is one of our Business Services Accountants and Tax Strategists working predominantly for local business clients. He started at Collins Hume in 2010 and is delighted for the opportunity to work with a leading practice close to the coastline he loves.

"I like working at Collins Hume because I enjoy setting up tax effective business structures," says Scott. "But the real reason is that the team is lovely and a few seek my feedback on their cupcakes and baking efforts, so I'm only too happy to oblige."

Scott ensures that business owners achieve their potential and has the know-how and experience to help you run your business more effectively. Call Scott at Collins Hume on 02 6686 3000 to learn more.

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How do you grow into a successful business that can compete?

Commercialisation Australia - Experienced Executive Grant

To be eligible, a business must have developed a new product, process or service, and be applying for assistance in the commercialisation of that product, process or service.

One of the grants available is Experienced Executive. Grant funding can be a maximum of \$350,000 over two years (up to \$175,000 per annum) on a 50% grant basis, for an eligible applicant, to engage an experienced CFO or other key executives, normally sales or marketing.

The executive must work for the business for a minimum of three days per week. This grant is designed to give small, innovative firms, new to business, the experienced management skills they need. In some cases, potential investors will specify that they require the business to employ an experienced executive, such as a CEO. The investor's investment funds could be utilised to fund the company's 50% contribution for this grant.

There is a two-stage application process for a Commercialisation Australia grant. Collins Hume offers specific consultancy services, to assist business owners in the application process for Commercialisation Australia grants. If you require details, please contact Peter Fowler on 02 6686 3000.

Export Market Development Grant

This grant is available to Australian businesses that are exporting or proposing to export from Australia. Applicants must have a maximum turnover of \$30M and have spent more than \$20,000 on eligible expenditure in the grant year. Please note that the first grant year can, in fact, be two years that the aggregate eligible export market expenditure exceeds \$20,000.

Applications for year ended 30 June 2013 have to be lodged to Austrade by 2 December 2013.

Now is an ideal time for any business that is commencing export operations to ensure that they set up an appropriate system for the maintenance of records relative to lodging an export market development claim for the 2013/14 year.

If you can be encouraged to commence a system for recording the eligible expenditure under the various categories, as expenditure is incurred, this will significantly facilitate the preparation of the Export Market Development Grant claim after 30 June 2014.

Tap your business potential!

Call Collins Hume on 02 6686 3000 to find out more or to check your eligibility in the first instance.



Disaster Grant Loan application deadlines

Closing dates for disaster grants are:

NSW	Closes
Natural Disaster Relief Recovery Arrangements - NSW - Primary Producers; Bushfire - January 2013	31/8/13
Floods and Storm - Jan/Feb 2013	30/9/13
Natural Disaster Relief Recovery Arrangements - NSW - Primary Producers - Loans; Severe storms and flooding - February 2013	31/8/13
Floods - January 2013	31/8/13
Natural Disaster Relief Scheme - NSW Small Business; Floods and Storms - January/February 2013	30/9/13
Bushfire - January 2013	31/8/13
Natural Disaster Relief Scheme NSW Small Business Loans; Severe storms and flooding - February 2013	31/8/13
Floods - January 2013	31/8/13
QLD	Closes
Special Disaster Assistance - QLD Primary Producers.doc; Tropical Cyclone Oswald and associated rainfall and flooding 21-29 Jan 2013	31/8/13
Exceptional Disaster Assistance Scheme Qld Primary Producers; Tropical Cyclone Oswald and associated rainfall and flooding 21-29 Jan 2013	30/8/13
Special Disaster Assistance - QLD Small Business Grants; Tropical Cyclone Oswald and associated rainfall and flooding 21-29 Jan 2013	30/8/13
Exceptional Disaster Assistance Scheme - Qld Businesses.doc; Tropical Cyclone Oswald and associated rainfall and flooding 21-29 Jan 2013	31/8/13