

## Peter Fowler co-authors better business book

Collins Hume's very own Partner and Business Adviser [Peter Fowler](#) co-authors **Better business, Better life, Better world**

Thirty-four worldwide entrepreneurs, business thinkers and philanthropists share advice to help build better businesses, enjoy life and make the world a better place.

Across seven countries and four continents, Better business, Better life, Better world is the result of a unique collaborative initiative. Between them, the book's contributors have advised governments, served start-ups to Fortune 500 companies, earned acclaim, published and have been featured by Forbes, Inc, The New York Times, CNN and the BBC.

In Better business, Better life, Better world they give you the most important lessons there are to learn, insights that will make things better for you, your family, and the shortcuts that make it easier, along with the pitfalls to avoid.

Peter Fowler said, "I highly recommend giving our new book a read; it contains wise insights from some of the brightest minds in business from around the world."

"The common thread that ties all the authors together is not only that they have an extraordinary wealth of business experience and wisdom, but also passion for giving back. When you buy this book, the life of at least one person in need somewhere in the world will be made a little bit better. That difference is funded by the authors, and delivered automatically on your behalf via the B1G1: Business For Good movement that inspired this book."

[Click here](#) to read more, look inside or order a copy. If you would prefer to read a PDF version of the book, simply [email Peter](#) to request your copy.

WRITTEN BY

PETER FOWLER, DANIEL PRIESTLEY, MASAMI SATO, PAUL DUNN  
AND OTHER INSPIRING BUSINESS LEADERS

**Better business**  
**Better life**  
**Better world**

SMALL BUSINESS  
AWARDS 2016



## Collins Hume wins two CV Mag awards

Collins Hume won Best SME Accounting Firm (Australia) and the CV Innovation Award for SME Grant Funding (Australia) in the Corporate Vision 2016 Small Business Awards, announced in December.

Corporate Vision Magazine shines a spotlight on the brightest and most deserving companies and individuals from around the business world.

"We're fiercely passionate about recognising outstanding achievement, game-changing innovation and stellar performance, and all of our awards are carefully tailored to provide detailed and in-depth analysis of the very best each market, industry, sector and region has to offer," said Rachel Devonport, Corporate Vision Magazine Awards Coordinator.

"Each award is carefully scrutinised, from a nominee's region to their performance over the past 12 months, their commitment to innovation, their methods and even their competition." [Click here](#) to read the full story.

## Event a mammoth coup for every business in our region

Save the date for The Huge Power of Small event on 25 May 2017

If you're yet to catch up on your Christmas reading, you may not yet know that Collins Hume have arranged for one of the world's leading business thinkers and speakers, Paul Dunn, to present a stunning business-building event in Ballina in May.

Paul will touch down from his worldwide headquarters in Singapore to present live what he calls 'UNLEASH the Huge Power of Small: how to build an amazing business in amazing times'.

It will be stacked full of new insights for you and your business.

Paul has presented as a TEDx speaker on multiple occasions, so when he comes to town for a unique event, we need to let everyone know about it.

We saw Paul recently at 2016's Business for Good conference in Bali; we've never resonated so much with a speaker before. On top of that, Paul has a gift for helping business owners take their businesses to new heights. And he helps them embed new meaning and purpose into their businesses that's fast-paced and very different.



The magic of this event (live on Thursday 25 May) is that Paul will give our local business owners insight after insight in the most inspiring of ways in what he calls 'the Power of Small'.

You'll learn that almost all of the ideas are zero-cost-to-implement for you to apply. And we hope you'll see some differences instantly.

Talking of making a difference, this will be an incredibly special opportunity to seriously build your business, your revenues and your profits. Save the date – we hope you can join us.

We also invite potential sponsors to get in touch on 02 6686 3000 to discuss how you can be represented at this event.



## Why clients love our new free App

Since launching the new Collins Hume App, it has generated some fantastic feedback from our clients and contacts enjoying its many features!

It's also helped us to remain proactive and even more prepared to reach out to our clients in an innovative manner.

The five things that users enjoy the most from the App are:

- Photo receipt and management tool – never lose a receipt again!
- GPS Logbook
- 12 Free calculators from income tax to inflation: it's all there
- Helpful, handy tax sheets
- Key tax dates

If you haven't got your Collins Hume App yet, it's available for iPhone, iPad and Android devices. Search the App Store or Google Play for Collins Hume as well as share it with any friends or colleagues whom you think might find it useful. Or [click here](#) for more information.

## Considered a mentor to help guide your business in 2017?

Each New Year is a favoured time for people to reconsider their business approach. For Collins Hume clients, it's no different.

If you are like us you've been watching a lot of sport lately! It dominates our screens every day. Professional sportspeople have one of the most unique workplaces in the world; with a stadium full of fans and millions more at home watching they have no where to hide. Every aspect of their work is analysed – both good and bad! It must take razor-sharp focus to be able to block out all the distraction and complete the task at hand, often over and over again. Imagine the pressure.

This is magnified even further in individual sports like tennis. It's a lot of pressure for one person to endure, so they 'share' it with their support team and coaches – often in the public eye. The media also thinks this is important as, when we watch Federer or Kyrgios play, we are constantly seeing images of the players' support team. It's these coaches and mentors who help each player to be able to perform on the day; they are a crucial piece in the puzzle.

### Business is no different, especially small business.

There is a lot of pressure on business owners and it can be lonely at times. Big companies have Boards of Directors to share ideas, wins and losses. But who do you talk to in a similar way about your business? Is it about time you considered a mentor to help you guide your business to where you want it to be rather than fly by the seat your pants for another year?

### The beauty of working with a business mentor is leaning on someone who has been there, done that.

A mentor can provide guide, advise, answer questions in detail based on relevant experience and give you an edge that only a high performer in your network can do. It's a unique opportunity and one we wholeheartedly recommend you embrace.

Whether or not working with a mentor is something of interest to you, let us give you some key questions to ask yourself for implementing and getting results in your own business. If you want to affect change, try this approach. Ask yourself:

- Which dimension of the business is this project aimed at? (For example, increasing the number of customers, increasing average transaction value, improving margins, etc) – hint, if it impacts none of your key numbers, why are you doing it?



- Specifically WHY do you feel this project is important?
- Who is going to be accountable for the delivery of the project?
- By when will it be implemented?
- What goals will be achieved by implementing this project?
- How will you measure progress and outcomes in respect of this project?

Of course, you will get better AND faster results with a mentor to guide you, as the missing link is often the detail that makes the strategy really hum. And someone who has done it before you can only provide that detail.

The pressures of daily business can often mean your business planning takes a back seat – but to have a successful business you must plan ahead.

We'll help you establish an approach and plan that looks at where your business should be in the next 3-5 years, as well as identifying exactly how you and your team can achieve your aims and objectives.

Call Collins Hume today on 02 6686 3000 to get started.

# The \$1.6 million transfer balance cap – what does it mean for you?

## The changes to superannuation announced in the 2016 Federal Budget have been passed by Parliament.

Amongst those changes was the introduction of a \$1.6 million transfer balance cap, which limits the tax exemption for assets funding superannuation pensions.

This new limit on superannuation will apply from 1 July 2017 and creates additional responsibilities for SMSF trustees. The main issues you need to be aware of are:

- All super fund members who are receiving a pension on 1 July 2017 will have a transfer balance cap of \$1.6 million created at that time.
- Those not receiving a superannuation pension on 1 July 2017, but will in the near future, their transfer balance cap will be created when they first receive a superannuation pension.
- The amount of tax-exempt assets available to fund a super pension under the cap is determined by a system of debits and credits, which are recorded in a transfer balance account.
- Credits are created by:
  - The value of super assets supporting income streams on 30 June 2017
  - Starting new superannuation income streams from 1 July 2017 onwards
  - The value of reversionary income streams where an individual becomes entitled to them, and
  - Notional earnings accruing to excess transfer balance amounts
- Debits are created by:
  - Commutations of superannuation pensions
  - Structured settle payments contributed to superannuation, and
  - Certain payments arising from family law splits, fraudulent or void transactions.
- Reversionary pensions will count towards the cap, but members will have a 12-month period from the date of death to deal with the reversionary pension before a credit arises and counts towards their cap.

Going over the \$1.6 million transfer balance cap will require the excess amounts to be removed from the retirement phase, which will likely require the commutation of the relevant pension which has exceeded the cap.

Defined benefit pensions and certain pre-2007 superannuation pensions have special rules for the transfer balance cap recognising their non-commutable nature.



Any amounts in excess of a member's personal transfer balance cap can continue to be maintained in their accumulation account in their fund. This means if you have more than \$1.6 million in super you can maintain up to \$1.6 million in pension phase and retain any additional balance in accumulation phase.

Approaching 1 July 2017 people may wish to structure their asset holdings to be in a position to optimise the \$1.6 million transfer balance cap, especially between spouses.

It is also important to know that there is transitional capital gains tax relief for superannuation assets that are affected by any changes you might need to make by 1 July 2017 to comply with the new rules. This capital gains relief will ensure that any capital gain accumulated on affected superannuation assets will be deferred to a later time when the asset is sold.

### Concerned that the Government's changes to the transfer balance cap will affect you from 1 July 2017?

Please call us on 02 6686 3000 to discuss your particular requirements.

*This communication has been prepared on a general advice basis only and has not been prepared to take into account your specific objectives, needs and financial situation. The information may not be appropriate to your individual needs and you should seek advice from your financial adviser before making any investment decisions.*

# Don't be harassed by the hangover of Christmas financial debt

The dreaded statements arrive, but don't just ignore them or pay off the minimum on your credit card debt.

As New Year credit card bills hit your letterbox, take control on managing debt if you've maxed out your credit card in the run-up to the festive period or overspent during Christmas.

According to ASIC, the clock is ticking on credit card debt! Their website shows Australians currently owing around \$32 billion on credit cards (that's an average of around \$4,300 per cardholder). If you're looking for methods to reduce your credit card debt post-Christmas, you're not the only one but you don't want high interest rates making your debt even greater!

Whether you just have a few hundred owing on your card or even thousands, there are some simple steps to get you paying off the debt.

## 1. Stop adding more debt to your credit card

By cutting back expenditure, cancelling or downgrading some services or purchasing cheaper or recycled goods, you can put more money aside to pay off your debt. Also consider selling old or unwanted items to generate extra cash.

If you haven't done your tax yet, do so and any refund can be used to reduce the debt.

## 2. Pay more than the minimum repayment

Even an extra \$50 per month will make a considerable difference.

You should pay more than the minimum repayment amount on your credit card each month or make two minimum payments each month instead of just one. Both strategies help reduce debt faster and curb the interest charged to your card. Work this into a budget by consolidating debts, making additional income or economising on luxuries in your monthly spending.

## 3. Set up a direct debit to pay a fixed amount off your credit card balance each payday

Use online banking to organise an automatic transaction to occur each time you get paid, taking money from your everyday savings account and paying off the credit card before you have the chance to spend it.



## 4. Prioritise repayments

If cutting up your cards and consolidating your debt is out of the question, then target payments on one card first by paying off the one with the highest interest rate, or tackle the one with the smallest debt. Pay off cards strategically to reduce the amount of interest charged or the number of repayments.

No matter what option you choose, you should still meet the minimum monthly repayments for the other cards.

And, if asking your credit card issuer for some leeway on having your interest rate reduced just isn't an option, then do some research. You might actually find that a competitor can offer you a lower rate option, and your current provider might just match the offer.

When facing excess debt, speak with Collins Hume. Our in-house lending expert can help organise your finances and recommend solutions for consolidating and reducing debt – no matter what your situation.

## Would you buy a house with friends or relatives?

**It's common for friends or relatives to band together to capitalise on the investment property market. But what happens when it all goes wrong?**

The Housing Industry Association shows that it now takes 2.04 average full time salaries to comfortably service a standard mortgage on a median priced detached house in Sydney. So why not pool your assets?

### The tax issues

Capital Gains Tax (CGT) applies to any change of ownership of a CGT asset, unless the asset was acquired before 20 September 1985 when the CGT rules came into effect.

In general, if you jointly own an investment property, your individual exposure to CGT will depend on how the property is owned. If the property is held as tenants in common then any CGT exposure is in line with your ownership interest – this might be 50/50 or some other configuration. If the property is owned as joint tenants then each owner is treated as holding an equal interest in the property for CGT purposes.

Like CGT, how the expenses and income from the investment property is represented in your tax return also depends on how the property is held. For example, if you and a family member each own a 50% interest in the property you will need to split the rental income and expenses 50/50 when preparing your tax returns.

The main exceptions to this are where you are carrying on a rental property business (e.g., you own a significant number of rental properties and manage this in a business-like manner) in which case a partnership agreement will generally determine how the income and expenses are split or where one owner has borrowed money to acquire their interest in the property in which case they can claim a deduction for their own interest expenses (these do not need to be split with other owners who may have used their own savings to acquire the property).

### The legal issues

Disputes between friends and relatives can occur very easily. One area that often triggers a dispute is when one party wants to take some form of action and the other doesn't – like selling the property or investing in expensive renovations. If the problem cannot be resolved the issue may be taken to court to force a resolution.



State laws allow for one party (a co-owner) to make an application to the Supreme Court for the sale or partition of the property. Following an application under the partition laws of each State and Territory, a court may make an order for partition or sale of the property.

This is where a legal agreement, a Co-owners Agreement, to underpin the terms of ownership can really help – even for the best of friends or the closest of relatives. Legal issues covered include:

- Ways to resolve disputes
- What share each party owns
- When you can sell
- Who pays the bills
- What happens when a party dies
- What happens if a party becomes bankrupt
- When you can exit the agreement, and
- When you can buy the other party out

If you are considering buying property, we can help you with a Co-owners Agreement and the tax implications. Call us on 02 6686 3000.