

Collins Hume named GPS Wealth's 2017 Accounting Practice of the Year

Awarded 2017 Accounting Practice of the Year Award, plus a second award in the Best Event 2016-2017 category from GPS Wealth at their fourth annual conference held in Thailand this month.

Both awards recognise best-practice wealth advice solutions for clients and mark Collins Hume's yearlong association with GPS Wealth after new ASIC regulation required accounting firms to obtain accreditation to provide self-managed superannuation advice.

Collins Hume's efforts were also recognised 7-8 July with a third, separate B1G1 2017 Charity Impact Award at the Business for Good conference on the Gold Coast.

The award acknowledged Collins Hume's continuing leadership in community giving across the region, highlighted by this year's 'Unleash the Huge Power of Small' event held in Ballina, which raised \$18,000 for charity.

"We wanted as many businesses to come along, which they did, plus present an opportunity to donate to charity," said Event Organiser [David Keith](#). "It really was a win-win so it's an honour to be recognised for our efforts."

"As accountants we realise we have the ability to change lives on a daily basis. Not only with our clients and the advice we provide to improve their business and lives but through our giving to people around the world who are much less fortunate than us. It's a very exciting time to be an accountant and to have these opportunities to change lives."

"We're delighted to be named GPS Wealth's best accounting practice member firm, as well as receive recognition for the events we've organised this year," said [Peter Fowler](#). "Our ongoing leadership continues in the quality of service and advice for our clients and our local community."

This information has been prepared on a general advice basis only. The information 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.



"These distinctions go hand-in-hand with what we're seeing when working with our clients: a continuing shift away from a regulatory compliance focus to a business-centric approach. This reinforces the attention on our thought leadership around clients' needs, interacting and being relevant to both business and personal clients across a range of generations and then delivering to help drive desired personal and business outcomes."



One week after the GPS Conference, Collins Hume was then Highly Commended for Excellence in Professional Services at the Lismore Chamber's Business Excellence Awards ceremony held on 15 July.

1 July changes – what did you miss?

- GST applies to digital products and services imported by consumers [read more](#)
- Small business \$20k instant asset write-off extended until 30 June 2018
- Company tax rate reduction to 27.5% for entities with an aggregated turnover of less than \$25m (companies with a turnover of less than \$10m have been subject to this tax rate since 1 July 2016).
- Major Bank Levy introduced
- 2% temporary debt tax removed from high-income earners
- Plant and equipment deductions limited for residential property investors (not yet legislated)
- Residential property investors no longer able to claim travel expenses (not yet legislated) [read more](#)
- First home saver scheme begins (not yet legislated)

Superannuation reforms came into effect

- Cap on concessional contributions (before tax) reduces to \$25,000 for everyone.
- Cap on non-concessional contributions (after tax) reduces to \$100,000.
- \$1.6 million transfer balance cap limits how much money a member can transfer into or hold in a tax-free pension account. Excess amounts are subject to a transfer balance tax.
- Threshold to access the tax offset for contributions to a spouse increased to \$37,000 (partial offset available up to \$40,000).
- Threshold for low-income super tax offset increased to \$37,000.
- The threshold at which high-income earners pay Division 293 tax on their concessional superannuation contributions reduced to \$250,000 (from 300,000).

Specialist advice can help you take advantage of new opportunities ahead. Call Collins Hume in Ballina, Byron Bay or Lismore on 02 6686 3000.



**Happy New Financial Year
(FY18) and many happy returns
this month to Sharon and
Annalisa!**

Succession article series

We're currently publishing a series of articles that breaks the heady issue of business succession into palatable pieces. Catch up on the first few articles and follow along on the Collins Hume blog in the [Business Advice](#) category.

■ How much money needs to be taken out of the business during transition?

What level of capital do the current business owners, generally the parents exiting the business, need to extract from business at the time of the transition?

The higher the level of capital need the greater the pressure that will be placed on the business and the equity stakeholders.

In the majority of cases, the incoming generation will not have sufficient capital to buy out the exiting generation. This will require the vendors to maintain a continuing investment in the business or for the business to take on an increased level of debt. Either scenario needs to be assessed for its sustainability either at the business or shareholder level. [Read more...](#)



■ Do your kids really want the business?

13/07/2017 by Collins Hume | National expertise, local service 02 6686 3000

■ Capability and willingness of the next generation

Do your kids really want your business?

There needs to be a realistic assessment of whether or not the business can continue successfully after the transition. In some cases, the exiting generation will pursue generational succession either as a means of keeping the business in the family, perpetuating their legacy, or to provide a stable business future for the next generation. All of these are reasonable objectives, however, they only work where there is capability and willingness.

The alternative scenario can also exist where generational succession is pursued by the younger generation. In some cases, it's seen as their birthright. In these cases the



GST on imports – new rules for goods under \$1,000

In June, Parliament passed legislation that will see GST applied to all consumer imports regardless of their value.

Currently, imports below \$1,000 are excluded from GST.

The perceived preferential treatment of internet shopping has been a contentious issue for a while with the retail sector lobbying hard to ensure that where a business is benefiting from sales to Australian consumers, the purchase is taxed in the same way as local retailers.

While the start date of the change has been pushed back until 1 July 2018, businesses importing goods into Australia will need to review their position to check whether supply chains are affected and determine which entity is actually liable for the GST. Australian businesses that purchase low-value goods from overseas should also check to make sure that overseas suppliers are not imposing GST on supplies of these goods unnecessarily.

The new rules are intended to apply to situations that are not captured by the existing GST importation rules because the goods are worth \$1,000 or less. The rules are designed to only apply when goods are delivered to Australian consumers who are either not registered for GST in Australia or where the goods do not relate to an enterprise or business being carried on in Australia. If your business imports goods into Australia and is registered for GST, the tax should not apply to low-value goods you import.

GST applies where the supply is to an Australia consumer

It doesn't matter who makes the purchase. So, you could have the scenario where GST applies to a gift purchased for you by an overseas relative if the gift is shipped directly to you.

Where goods are purchased through electronic platform providers, such as Amazon, eBay or Alibaba, responsibility for collecting the GST will rest with the platform provider as they manage the customer billing on behalf of the supplier. However, it will be more difficult for the Government to force foreign companies to comply with the new rules leading to concerns about the costs of the administration required to enforce GST on low-value goods.



For overseas suppliers, if the value of goods sold into Australia is greater than \$75,000 per annum, the entity is required to register for GST. However simplified options are available for those that only export to Australia and have no need to claim tax credits in Australia.

Australian [GST](#) can be complex and confusing so Collins Hume ensures our team are up to date on any changes and able to offer accurate advice. Call us on 02 6686 3000 today.

CH Board of Advice

If you want to grow your business an important step is to form a [Board of Advice](#) or a Board of Directors.

Being able to gain input from other experienced business people on issues and problems you are confronting is invaluable. Forming a board can also assist you and your colleagues with a better understanding of corporate governance and director's duties.

If you are interested in finding out more about forming of a Board of Advice for your business contact us for a discussion.

Handy tax time tips for local business

According to the Australian Tax Office, thousands of new businesses register every month, which means many are experiencing tax time for the first time.

For the seasoned operators, it should make sense to make each recurring end-of-financial-year a little easier each time.

With a significant number of businesses based in the Northern Rivers region, attracted by our lifestyle, Collins Hume Partner [Jamie Doyle](#) has boiled down these tips to help all business owners make it smoothly into the new financial year:

- **Stay up to date.** From superannuation reform changes, simpler BAS, new wage rates and even an extension to the \$20,000 instant asset write-off, make sure you're across all new regulation, how you must comply and even how you can take advantage of any opportunities. One of the best ways to do that is to hook up to a reliable source of information such as www.collinshume.com.au/client_tools/blog.
- **Jump into [the cloud](#).** This can apply to numerous facets of operating a business so start with the regulatory and work from there. A couple of years ago ATO made all their returns electronic so most businesses interact with them online (aka 'in the cloud') as well as with their accountants across secure client portals. Less paperwork means fewer errors and ATO has a range of online tools to help businesses owners get it right, as do many accountants so find one that speaks your language.
- **Streamline your recordkeeping,** which is essential for any size of business but seems to fall by the wayside for smaller operators. It's essential for managing cash flow, meeting your obligations (especially if you have employees) and monitoring business performance. For employers, payment summaries must be issued by 14 July and your PAYG withholding payment summary annual report needs to be lodged by 14 August. The ATO has formalised much of this in recent years to the extent that, if your business does not match their benchmarks, then the onus is on you to show cause. The upside is that benchmarks allow you to compare results with others in your sector.



- **Knowing where to go for help** is one of the best steps a business owner can take and, usually, a new financial year sees many reviewing their options and seeking second opinions. Running a business these days is not only about regulation and compliance; it is very much about leveraging your business to give you the lifestyle you want and working every day to achieve that. If you work with experienced professionals you'll put in place the necessary steps to make that happen sooner and build an asset with which you'll have options when you come to retire. It's very much about the big picture.

Claiming work-related expenses

Find out which claims the ATO is focusing on, remind your employees about the basic rules they need to satisfy and get your deductions right this tax time.

Call us if you need a hand on 02 6686 3000 or read more on [ATO's website](#).

Working hard to turn your dreams into reality

Whether you're dreaming of a new home, renovating your existing property or purchasing a rural retreat, David Seymour at Regional Finance Solutions will not only work hard to get you the very best deal, his aim is to work for you to turn your dreams into reality.

David is passionate about looking after his client's needs and, with the resources of the Regional Finance Solutions team, has the advantage to choose between a number of banks and other lenders to find the deal that works for you.

So if you are looking for the right loan to suit your needs, now is the time to talk to David.

Self Employed? Changed jobs? New to the area? No problem. David is here to help and understands that not all people fit into the 'big bank' box.

Don't waste your time running around from bank to bank.

Let David help you with:

- Residential Loans
- Investment Loans
- Rural Loans
- Insurance Premium Loans
- Business and Commercial Loans
- SMSF Loans
- Motor Vehicle / Equipment Finance
- International Trade Finance
- Accountant Fee Loans

Regional Finance Solutions is a finance service established to meet the needs of regional residents. We have a large team that includes areas such as the Hunter, New England, North West, North Coast and Northern Rivers. Across our team we have expertise in all areas of finance.

Regional Finance Solutions representatives own their own business meaning that they are totally committed to assisting you with your needs.



Regional Finance Solutions is proud to be a local company. Our representatives live in your local area, they buy locally, and they support the local communities in which they live.

David is a member of FBAA and a corporate member of MFAA. He is also registered with ASIC, has professional indemnity insurance and is a member of Regional Finance Solutions' internal and external dispute resolution schemes.

Phone 1800 REG FIN (1800 734 346) or email david.seymour@regfin.com.au. You can also [Follow David on Facebook](#) for Regional Finance Solutions news and updates.

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How Government Grants present opportunities for your business

Hundreds of grants, incentives and special loans payable each year by the Federal, State and Territory governments.

The vast majority of these grants are targeted at small and medium enterprises. Many of these grants relate to the delivery of business advisory services by your accountant.

Grant funding can help your business undertake projects that, in normal circumstances, you may have been reluctant to do but, if the government is paying 50% of the cost, you might look at it a little differently.

Activities such as:

- Preparation of Business Plans
- [Budgets & Cash Flow Forecasts](#)
- [Strategic Planning](#)
- Corporate Governance Mentoring
- Job Costing Systems & Improving Systems throughout the Business
- Overview of Accounting Systems
- Director Training for Small/Medium Enterprises Operations
- Human Resources Management Updating
- Lean Management
- Research & Development

So where do you start?

In the first instance it's a good idea to identify the grants and, in some cases, there can be up to several grants that apply to a particular industry. Sure, there are specifications on the following criteria but, generally, grants are targeted at industries by:

- type of entity
- number of years in business
- turnover
- number of employees
- location

Working with the team at Collins Hume will assist in the identification of grants that may suit a particular industry. Some popular grants currently available for various businesses are:

Business Growth Grant which is a grant of up to \$20,000, on a 50% basis, that will fund virtually anything that contributes to the improvement in business performance.

METS Grant – the mining, mining equipment, technology industries, all to do with mining. The grant is targeted at a group of businesses that come together for a particular project. Grants are available from \$100,000 to \$3M, on a 50% basis. Work must be undertaken over a two-year period.

Accelerating Commercialisation is a grant of up to \$1M, on a 50% basis for virtually any type of business with turnover up to \$20M.

Export Market Development Grant is available to any business exporting goods or services out of Australia. Also includes the Australian Tourist Industry targeting overseas visitors. As long as the business' total turnover, Australian and export, is under \$50M per annum, that business entity, irrespective of whether it's a company, a trust, a sole trader or a partnership, can apply for a grant which will reimburse their export market development expenditure of up to \$150,000 and that is generally on a 50/50 basis.