

Action Planning Pre-30 June 2013

The financial information tabled by the Federal government, as part of the presentation of the Australian budget, highlighted the difficulties experienced in the Australian economy.

The Treasurer indicated that, instead of a forecast surplus of \$1B, the actual performance for the year ended 30/6/13 is now forecast to result in a deficit of \$19B. The government has indicated that company tax payments were well down on expectations, highlighting that the downturn is affecting big as well as small business.

The Reserve Bank also expressed an adverse view on the economy when they lowered the official interest rate to 2.75%. The "unofficial" election campaign has also contributed to confidence sapping for businesses. The continued economic problems are reflected in Dun and Bradstreet's report that the debtors' days outstanding is now 55 days, an increase from the previously announced 52 days. There is an expectation of a change of government after the 14 September election which will probably lead to the new government introducing a brutal budget in 2014 in an attempt to generate a surplus within the next 1-2 years. The movement down in exchange rates is welcome news for exporters, but it means that importers will be paying more for products.

The message for business owners remains the same: those who continue to invest in periods of downturn are the ones more likely to reap the benefits when normal service resumes. Making the right choices is an enormous part of making it through periods of uncertainty. Here's how we recommend you prepare pre-FY14:

Team Members

- Have you reviewed your Human Resources manual? Are any updates required?
- Do you normally conduct team member appraisals at this time of year? Have these been done?
- Have you conducted a survey of team members to get their suggestions on how to improve services to your customers?
- Is there a need to discuss productivity improvements with team members?
- Are you receiving regular input from your team on operational issues?
- Are regular team member meetings held?
- Have you encouraged the formation of teams within the business? The team could consider ways and means to improve business productivity and performance.
- Have you empowered team members to exceed customers' expectations?
- Are there any changes necessary for the team training program in 2013/14?
- Do you conduct exit interviews with any team member who resigns?

Planning continued

Gross Margins

- Are you happy with the key margins being achieved in your business?
 - Gross Profit Percentage?
 - Labour to Turnover Percentage?
 - Net Profit to Turnover?

Debtors

- Do you receive a monthly debtors' aged analysis within 2 working days of each month end?
- Are you calculating debtors' days outstanding each month? How does the days outstanding compare to your budgeted figure?
- Are you going to change any of your policies or procedures for debtors in 2013/14?

Products

- Are any new products proposed to be introduced? Have these products been subjected to intensive review by the team?
- Have any focus group reviews been conducted?

Bank

- Are there any concerns in your relationship with your bank?
- Do you need to make any operational changes in 2013/14 to enable the business to comply with your bank's lending requirements?

Insurance

- Have you completed a detailed review of your insurance requirements for 2013/14?

Cont/...

Fringe Benefits Tax Processes

‘Fringe Benefits Tax’ : three little words most business people loathe with a passion. The ATO has advised this is an area they are auditing yearly because they believe non-compliance is high.

The latest method to increase compliance by the ATO involves the system of data matching income tax returns with information from each state government's motor vehicle registration department for purchases of new motor vehicles.

This is a fairly simple process where the ATO data matching will be able to identify a business which has purchased a car above \$10,000 in value and then, once ownership is established, be able to identify businesses which are likely to provide car benefits to employees who do not lodge a fringe benefit tax return or include a fringe benefit reimbursement amount at the appropriate label of the income tax return.

Ignoring the issue, or hoping that an audit will never happen, is not going to solve the matter and discussions need to be held each year with your accountant. The discussions need to be specifically about:

- Is your business subject to FBT?
- What record keeping is necessary for compliance?
- The consequences of not keeping adequate records or non-compliance.
- Methods of dealing with the fringe benefits, either by the Fringe Benefit Tax Return or the elimination of the Fringe Benefit via employee reimbursements (where available).

If you would like us to review your exposure to Fringe Benefits Tax, please contact us on 02 6686 3000.

Self-Rating for Business Start-up

If you are considering starting a small business, be honest with yourself and understand your strengths and weaknesses.

CCH conducted a national research of business owners and accountants to produce a document entitled ‘SMEs – the fine line between failure and success’. The prime reasons for failure, according to the 1,100 business operators interviewed, included everything from failure to manage costs to being remiss in seeking professional advice when it was needed most. You need to consider these items, as well as:

- How do you get on with other people?
- Can you handle failure?
- Can you set clear goals?
- Do you have drive, energy and self-confidence?
- Are you prepared to continue to learn (businesses change every day and operating one does require you to commit to an ongoing learning process)?

Planning (cont...)

Suppliers

- Have you thought about approaching some of your suppliers for assistance in 2013/14, including:
 - price reduction
 - longer payment terms
 - promotional assistance
 - joint submission to major prospects, and
 - marketing assistance to compete with competitors

Wastage, Theft, Pilferage

- Have you quantified the business cost from wastage, theft or pilferage?
- Have the team been informed of these costs?
- Have you developed policies for 2013/14 to try to reduce costs?

Succession Planning

- Have you developed a succession strategy for your business?
- Have you prepared a summary of the succession strategies that require implementation in 2013/14?

Business Plan

- Have you reviewed your business plan and determined any changes to be implemented in 2013/14?
- If you haven't prepared a business plan, should this be one of the priorities for 2013/14?

The recent CCH Survey identified some significant areas of concern for small/medium enterprise operators. We can give you assistance in these areas. Please contact Collins Hume on 02 6686 3000 if you would like our professional insight to planning your activities for 2013/14.

Ballina

97 Tamar Street
PO Box 731
Ballina NSW 2478

Byron Bay

Shop 7B The Bay Centre
6 Lawson Street
Byron Bay NSW 2481

P (02) 6686 3000

F (02) 6686 7854

E mail@collinshume.com.au



Collins Hume
is a CPA business



Liability limited by a scheme approved
under Professional Standards Legislation.

New business owners bowled over by proactive service and peace of mind

Cameron Walsh had been Head Technician at Ballina Tenpin Bowl for 16 years and when it came up for sale, he and wife Emma jumped at the chance to buy it.

They'd never run their own business nor had the need for business accounting advice up until then, so thought they would be well served by their incumbent accountants when it came to business matters.

When they became the owners of Ballina Tenpin Bowl five years ago, they began to see the shortfalls in their accounting provider.

"Becoming business owners was a culture shock to say the least," says Emma. "As employees we could switch off outside of 9 to 5, but with the new opportunity came added responsibility."

"Buying the business and doing our research was straightforward enough, but we were experiencing lags in trying to communicate with our accountants".

"I don't know how we did it without lots of help from mum and dad."

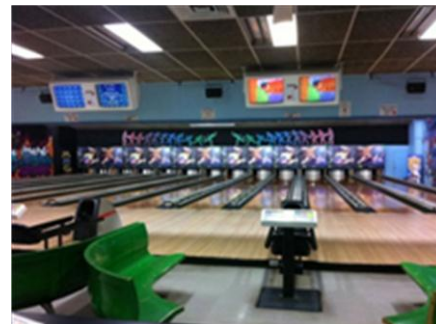
Out of frustration, Emma and Cameron looked to Collins Hume's [Chris Atkinson](#) and [Jamie Doyle](#) whom they knew through local connections and decided to obtain a second opinion.

"As soon as we switched accountants we saw how our previous firm wasn't keeping up their end of the bargain," says Emma. "Coming into our second financial year with Collins Hume, we are confident that our year-end tax planning is well in hand."

"It makes sense that we don't work together in our business yet I am set up to support Cam with the bookkeeping and admin so he can concentrate on running it on a daily basis."

"We have more peace of mind dealing with Collins Hume; I can just get on and email any questions and they'll shoot back their reply. The girls are also quick and prompt if we can't speak directly with Chris or Jamie."

"There are no issues or dramas – they have made our bookkeeping and admin so much easier which allows me to focus on our young family and my job. I have nothing but the highest praise when it comes to Chris and Jamie, they truly are the best!"



"Transitioning to Collins Hume was easy; they are nothing like our old firm," says Emma. "We use BankLink for bookkeeping and Jamie has set us up as a beta site on BankLink wages so we can streamline how we process the payroll which, to me, is awesome!"

"As we're always looking to implement new things for the business to attract more or new clientele, we continually need to be asking how we'll make a return," says Emma.

"With live data about our business position and the extra efficiencies we've gained by streamlining our bookkeeping and admin, who knows what future opportunities will present themselves."

To take a look at Emma and Cameron's business Ballina Tenpin Bowl for yourself, please visit www.ballinatenpinbowl.com.au.

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.

Peter Fowler B Acc, CPA, SSA, JP, SAFin

Work / life balance advocate and Collins Hume Partner Peter Fowler on life, loves and business

For local CPA Peter Fowler, it all started with having a father who taught mathematics who instilled his love of numbers. Peter is Northern Rivers through and through having grown up in Alstonville and established himself as a partner at Collins Hume in Ballina in 2005 at the ripe age of 26.

But Peter does not stop at his flair for numbers. He has turned it into a successful career by positively impacting people's lives financially whilst enabling them to create wealth and have a better lifestyle, which really is where his true passion lies.

"I wouldn't say I'm influenced by one particular individual, Peter says. "I look for great attributes in everyone and try to incorporate the best into my own life and advice I provide. I read a lot and often find inspiration in successful people, so endeavour to implement what has worked for them into my own style."

University life at Southern Cross University also imbued an appreciation for hard work. Peter is back there now completing his MBA, "It's pretty simple; I like the area and the lifestyle I have and didn't want to leave," he says. "I've travelled a lot and I still believe we live in the best part of Australia and the world." Living and working in the Northern Rivers is a great opportunity to practically apply new learning to his business clients who range from doctors and solicitors, to farmers and fishermen, from local to international enterprises.

Peter enjoys the diversity of industry and the interaction with each client, "I really get my inspiration from constructive feedback from the people I deal with. This drives me to learn and tackle new ideas that will positively impact them."

"My approach is to see the greater business picture and then work out long-term strategies to achieve goals. Although my perspective does not always follow a traditional path; I look at issues from all angles in order to develop the best solutions."

Peter is a champion of balance and makes sure that his clients don't overlook it, "I'm a believer in working hard, working smart and keeping it in perspective. I encourage my clients to take their lifestyle as seriously as they take their business. I tend to work with business owners who share a healthy philosophy to work / life balance. "

Peter is only one of a dozen accountants twice recognised nationally as one of [CPA Australia's top 40 Young Business Leaders](#), "My inclusion in the top 40 Young Business Leaders list in 2012 and 2013 is a shining example of the high standard of professionalism and thought leadership Collins Hume offers business owners."

"I couldn't achieve this accolade without the support of our great team which is a reflection of their commitment to assisting our clients to achieve their business goals."

As for the overall game plan, Peter is happy helping others, "As long as I get a buzz doing what I do, I don't see any real need to change". FY14 sees him presenting the



third and final [Surf the Wave to Success](#) conference in Telos Islands in November, renowned for its blend of business development and surfing.

There are also wedding bells on the cards, so Peter's a busy accountant, "Certainly planning is very important and one thing I've learnt is that you always need to set yourself goals. Without goals you'll have nothing to gauge your achievement nor have anything to strive for and make yourself a better person."

To speak with Peter about your business aspirations or just getting the work / life balance right, phone Collins Hume on 02 6686 3000 or [click here](#) to read his professional profile on our website.

Export Market Development Grant

Any small or medium sized Australian business which has expended money to develop export markets or expand export operations could be eligible for an Export Market Development Grant. The grant reimburses up to 50% of export promotion expenses, provided the total expenses are, at least \$20,000. Grant applications for the 2012/13 grant year open on 1 July 2013 and close on 2 December 2013.

Find our more grants in our grant availability overview on the final page of this newsletter.

Surf the Wave to Success 2013!

BOOK NOW for Collins Hume's exclusive International Business Development Conference in November 2013

Collins Hume Accountants & Business Advisers is proud to present our third International Business Development Conference 'Surf the Wave to Success' in conjunction with Baker Afflick Moffrey Chartered Accountants.

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, the key objective of this conference is for attendees to achieve a work and play balance that will lead to greater success in their business.



Conference Packages and Pricing

For a full list of conference package and pricing options, please phone Peter Fowler at Collins Hume on 02 6686 3000. Peter will be able to help you determine the best conference booking options to suit your needs.

All conference pricing is stated in AUD\$. Conference packages include conference fees, session materials, tailored reports, accommodation, all meals and pre-conference preparation carried out by Peter's team prior to departure including an industry market research report valued at \$845 and a benchmarking report valued at \$285. This conference is potentially tax deductible - we'll be happy to discuss your eligibility when you speak with us.

Book by 6 September 2013 to avoid disappointment as places are strictly limited. Click here to download Surf the Wave to Success Delegate Registration form.



Resort Latitude Zero

For more information on Resort Latitude Zero's facilities, venue or location visit www.resortlatitudezero.com. We look forward to you joining us in November!

Ballina

97 Tamar Street
PO Box 731
Ballina NSW 2478

Byron Bay

Shop 7B The Bay Centre
6 Lawson Street
Byron Bay NSW 2481

P (02) 6686 3000

F (02) 6686 7854

E mail@collinshume.com.au

Packages

Option 1 Conference

- Resort stay 7 Nights
- 10 Nov - 17 Nov 2013

Option 2 Master Class

- Resort stay 11 Nights
- 6 Nov - 17 Nov 2013
- Includes 4-day pre-conference debrief and warm down

To book or for more information call Collins Hume on 02 6686 3000 or email Peter Fowler at peter.fowler@collinshume.com.au.

Book by 6 September 2013 to guarantee your registration as places are strictly limited.



"Relaxed atmosphere. Relaxed discussion. This conference is by far the best conference I have ever attended. Obviously the location was great, but the advice on why businesses should plan ahead was the best outcome for us." Marc Salmon, Director, Cavvanba Consulting



"This event made me realise we need to constantly work on improving our business and not get bogged down on day to day activities. I have heaps of ideas that I will implement straight away when I return to the office. Everything about this event was awesome... even the surf!" Nick Breen-Kurucsev, Director, Public Image Productions

2013 Conference Sponsors



Collins Hume
is a CPA business



Liability limited by a scheme approved under Professional Standards Legislation.

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

Recently we discussed Tourism Sector Groups. This month, we consider Manufacturing Industry Groups

The businesses must be manufacturers and/or manufacturing related service firm. Firm is defined as a 'manufacturing firm', where its predominant business activity is not manufacturing, provided that it has an eligible manufacturing division or unit that has revenue or expenditure of at least \$1M. In each case, the revenue for a group member has to be under \$100M.

To be eligible, individual group member must have a turnover or expenditure of at least \$1M in the current financial year, or one of the two preceding financial years. Total turnover or expenditure for the group must exceed \$4M in the current financial year or one of the two preceding financial years.

Group members are able to obtain grants of up to \$20,000 on a 50% subsidy basis, to undertake work, which will improve the financial performance of the group. E.g. if there were four members of the group, the group could receive \$80,000 in grant funding. The businesses will have to match that with \$80,000 from their own resources, which will give a total pool of \$160,000 to undertake joint business improvement activities.

Think about it - the formation of a manufacturing group could be a very interesting market exercise in our location, or call us on 02 6686 3000 to discuss in more detail.

Disaster Grant Loan Application Deadlines

Reminder that Disaster Grant loan applications deadlines that are occurring in the next three months. Call us for details in states that currently have loans or grants available for businesses which have suffered from disaster namely NSW, Qld, Vic and WA.

Thank you for your support on Collins Hume's government grant funding initiative. If you have any questions relative to business grants, please phone us on 02 6686 3000.

There are many Australian and State government grants for small and medium sized enterprises. It is estimated that the total business grant market in Australia is in excess of \$5 billion annually so why not check if you're eligible? [Read more](#)

Or [click here](#) to join our government grant discussion on LinkedIn.



Commercialisation Australia

Commercialisation Australia offers grants for individuals, businesses and researchers, who have developed a new product, process or service. However, before any grant monies are paid, all applicants must be incorporated as a company.

The grant is max \$50,000 plus GST on an 80% grant basis (this is one of the highest grant percentages in Australia).

If your business is utilising Collins Hume's Business Improvement Services, then we could submit a proposal to you to undertake some of the tasks that Commercialisation Australia will fund (e.g. business plan, budget and cash flow forecast, and market benchmarking research as we have team members with appropriate qualifications and skills).

Tap your business potential

Let us help you review your business and look at where you want your business to be in the next 3-5 years, exactly how you and your team can achieve these desired goals and objectives, with the help of government grant funding.

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

■ Building partnerships. Guiding strategy