

## Collins Hume's Super Smart seminar

### Be on the front foot once the government makes up its mind on Australian super reform

Hear best-selling author Grant Abbott discuss the announced superannuation proposals from both sides of politics and how to take advantage of these strategies at Collins Hume's Super Smart Seminar on 17 June in Ballina.

Grant Abbott is Chairman of the Australian SMSF Members Association and Australia's leading SMSF advisor, author and presenter. Specialising in the SMSF industry since 1994, he has four best-selling SMSF books and consults to most major and boutique finance houses in Australia.

By special arrangement and exclusively for guests of Collins Hume, Grant will discuss his top strategies and show you ways to implement these to best suit your situation.

A taste of some of the strategies Grant will be discussing include:

- how transferring your farm or business premises to your SMSF means no Stamp Duty, no CGT and tax-free retirement income
- tax effective estate planning using your family SMSF
- the latest borrowing changes
- the thorny issue of what happens to your super in the event of your death with recent cases stating non-binding nominations do not apply to SMSFs
- how contestants of The Block could now use their SMSF to undertake the development

**Our Super Smart Seminar will provide a broad overview of SMSFs and the strategies that can be implemented, already growing in interest with people who want to galvanise their wealth planning now to optimise retirement income**

RSVP to [wendy.gleeson@collinshume.com.au](mailto:wendy.gleeson@collinshume.com.au) confirming the names of each attendee for registration, printing and catering purposes. Please phone us on 02 6686 3000 if you have any queries or wish to discuss the seminar further.

Whilst an initially complex area, we make it simple, flexible, show you how to achieve tax savings and, most importantly, provide you with control. Plus there will also be plenty of time to ask Grant your technical questions.

**This is a must see for anyone with an SMSF or considering establishing an SMSF. RSVP today to secure your complimentary seat.**

## Event details

- **WHEN:** Monday 17 June 2013
- **TIME:** 5.30PM to 7PM (doors open from 5.00PM)
- **WHERE:** Ballina RSL Club, 240 River Street BALLINA
- **FEE:** Free to attend (refreshments provided)
- **RSVP:** Ph 02 6686 3000 or email [wendy.gleeson@collinshume.com.au](mailto:wendy.gleeson@collinshume.com.au)



## About the speaker

Since the introduction of SMSFs in 1994 Grant Abbott has presented on the subject to more than 80,000 accountants, trained 500 accountants to become specialist SMSF advisers and written four sold out editions of "The SMSF Strategy Guide" and is currently on his fifth.

Grant has a Master of Laws and established the SMSF Professionals Association of Australia in 2002, the Australian SMSF Members Association and was involved in writing the competency standards for specialist SMSF professionals.

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## Time to start thinking about tax time

The countdown to the end of the financial year is on and that means you should start to focus on your end of financial year position and any tax planning that is appropriate for you

Don't leave it till the last minute. No decision, or rushed decisions, can lead to the wrong outcome. Here is the starting point of the process:

1. **Get your health and hygiene tax list together** | There are lots of little things that need to be attended to that can add up to tens of thousands of dollars in tax savings. Writing off bad debts, maximising stock valuation outcomes, declaration of bonuses and director fees, prepayments, income deferrals, trustee resolutions to appoint income, maximising depreciation charges, superannuation payments.
2. **Where are the bigger tax planning opportunities?** | Beyond these health and hygiene opportunities there may be larger tax planning opportunities that should be considered. This could include being eligible to claim R&D tax concessions, taking advantage of the loss carry back rules to get a refund of company tax paid in the last year, and export market development grant eligibility. All of these opportunities are time sensitive and time limited. The things you do between now and June 30 could make a significant difference in the benefit obtained.
3. **Are you creating permanent benefits or simply a timing advantage?** | Consider whether your decisions are creating a permanent benefit or simply deferring the tax liability to a later date. Both can be valuable however permanent benefits will always be more valuable. This is relevant if you have to create a hierarchy of the options. You may not be able to do everything possible.
4. **Are there [cash flow implications](#)?** | An essential consideration. Some of the options will require you to spend money, bring forward expenditure or defer income. These will all have cash flow impacts and you need to ensure that creating the best tax outcome does not cause a short-term cash flow problem. Calculate the funding impact of your choices and if you need funding support from your bank, then talk to them early. You need to map out how much you need, how long you'll need it for, and what is being covered.
5. **Are there any [risks](#)?** | Keep in mind that there could be some risks with the decisions being taken. These could include tax risks, funding risks and business risks. Tax benefits always need to stack up on the risk to reward matrix. Quantify the benefit and assess any risks.

You should take advice on your tax planning. Spend some time with your Collins Hume accountant to map out a plan that works for you. Call us on 02 6686 3000.



## Did you know?

- The 2009/2010 Budget estimates were closest to the actual Budget figures than any future year.
- The worst year for budget forecasts was the 2010/2011 Budget that predicted the deficit for 2011/2012 to be -\$13 billion. Turned out this forecast was over \$30 billion off at \$43.4 billion.
- The budget deficit for the current financial year is expected to be \$19.4 billion (or 1.3% of GDP, which is 1.3% of the economy). The deficit for the new financial year is expected to be \$18 billion.

The Reserve Bank's decision to reduce the prime interest rate to 2.75% (the lowest for 50 years) confirms the difficult environment in which businesses are operating. Hopefully, the interest rate reduction will encourage consumers to spend more money within Australia.

To survive in difficult times, small and medium sized business owners need to continually review and make adjustments where necessary to their business operating environment. Call us on 02 6686 3000 to discuss your current business performance, preparation of budgets and cash flow forecasts for 2013/14, or improvements to your business management strategies.

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## Engineers must play the smart card

**Why Engineers here must play a clever game to take the lead on projects in a sector pinched by cheap offshore labour, cancelled projects, government spending cuts, foreign competitors, a high Aussie dollar and slashing of contract margins.**

The sector is a big employer; Engineers Australia says 263,890 qualified engineers were working in 2011 doing everything from building liquefied natural gas projects to boosting mine systems and everything in between.

But the writing could be on the wall for the engineering sector as industry sources refer to big players pitching for middle-level work, offices shrinking, even project meeting times shortening considerably. It is getting so tough that 4,000 to 5,000 consultant engineers have been laid off since December estimates Greg Steele, Australasian MD for Hyder Consulting.

Ausenco already has an office in Mumbai with 80 staff which could triple in the next year. Yet some operators offer good news: local firms say they are focusing on developing high-end work in Australia while getting their own global offices to perform the routine stuff.

"Australian engineers are conceptually smart thinking, innovative, ingenious and up there with the best in the world. You have got to play to your strengths, and you have got to sell that ingenious innovation," Ausenco CEO Zimi Meka said. But, he added, the caveat is that firms must handle work cost effectively.

Engineers Australia believes the sector must accept offshoring of work as part of the global market, yet focus on keeping high-end engineering in Australia by maintaining a level of capability.

The market is already changing. Commonwealth trade data shows Australian imports of engineering services rose 41.3 per cent over five years to be worth \$2.7 billion in fiscal 2012.

Association of Professional Engineers, Scientists & Managers Australia questions the meaning of a 'local future', "Australia should be using our current resources projects as leverage to ensure Australia's younger engineers get the on-the-job training they need to succeed in the future," APESMA's Chris Walton says. "Otherwise what will be left after the mining and resources boom is over?"

[Click here](#) to read about Collins Hume's work with the sector and the urgent need for engineering businesses to receive better, more proactive planning advice to ensure future success. If you would like to secure your future, we can help. The first step is to meet to understand your business needs and objectives. This first meeting is at our cost and there is no obligation to progress further unless you believe we can help you. Take the first step and contact us on 02 6686 3000 to schedule a time.



## Grant updates

**Tourism businesses** that derive a significant proportion of revenue from tourists, with turnover of at least \$500,000 in the current financial year, or one of the two preceding financial years, may be eligible for grants to fund Tailored Advisory Service programs. Grants are made on a 50% matching dollar basis.

Reminder: **disaster grant loan** application deadlines that occur for states that currently have loans or grants available for businesses which have suffered from disasters are as follows:

- Natural Disaster Relief Recovery Arrangements NSW Primary Producer Loans due 31 May 2013
- Natural Disaster Relief Scheme NSW Small Business Loans due 31 May 2013

If you operate a **business in an 'outer regional area'** and earn 50% or more of your income from businesses located in a 'remote' or 'very remote' region, then you could be eligible for a grant on the same basis as if you were located in a remote location. This means you need an ABN and your turnover must exceed \$750,000 to check your eligibility.

Let us [review your business](#) to look at where you want to be in the next 3-5 years with the help of government grant funding. Call us on 02 6686 3000 to find out more.

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# Your super obligations are changing

## Get ready now!

**From 1 July 2013** | You need to increase the compulsory super payments you make on behalf of all your eligible employees (called 'super guarantee' or 'SG') to 9.25%. This is the first of several increases over the next seven years.

Make super guarantee contributions for employees who are 70 years old or over.

**Start preparing now** | Ensure your payroll and accounting systems are able to cater for the gradual increase in the super guarantee rate and removal of the upper age limit.

If you have 19 or fewer employees, consider using the free Small Business Superannuation Clearing House, which lets you pay your super contributions in one transaction to a single location.

Date	Change
1 Jul 2013	<ul style="list-style-type: none"> <li>Increase your employees super guarantee rate from 9% to 9.25%</li> <li>Make super guarantee contributions for employees who are 70+ years of age</li> </ul>
1 Jan 2014	<ul style="list-style-type: none"> <li>Employers must make super guarantee contributions for employees who have not completed a choice of fund form to a fund that is authorised to offer a MySuper product</li> </ul>
1 Jul 2014	<ul style="list-style-type: none"> <li>Increase your employees' super guarantee rate from 9.25% to 9.5%</li> <li>If you have 20+ employees, use the new data and ecommerce standard when making super contributions</li> </ul>
1 Jul 2015	<ul style="list-style-type: none"> <li>Increase your employees' super guarantee rate from 9.5% to 10%</li> <li>If you have &lt;19 employees use the data and ecommerce standard when making super contributions. You can also use the Department of Human Services' free Small Business Superannuation Clearing House</li> </ul>
1 Jul 2016	<ul style="list-style-type: none"> <li>Increase your employees' super guarantee rate from 10% to 10.5%</li> </ul>
1 Jul 2017	<ul style="list-style-type: none"> <li>Increase your employees' super guarantee rate from 10.5% to 11%</li> </ul>
1 Jul 2018	<ul style="list-style-type: none"> <li>Increase your employees' super guarantee rate from 11% to 11.5%</li> </ul>
1 Jul 2019	<ul style="list-style-type: none"> <li>Increase your employees' super guarantee rate from 11.5% to 12%</li> </ul>

For more information call Collins Hume on 02 6686 3000.

*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.*

# Changes at a glance

## Super guarantee rate rise

The compulsory super guarantee rate will be gradually increased from 9% to 12%, over seven years. The first increase, from 9% to 9.25%, will take effect on 1 July 2013.

## Removal of super guarantee upper age limit

From 1 July 2013, the existing age limit for employee super guarantee eligibility will be removed. This means you will need to start making super guarantee payments for eligible employees who are 70 years old or over.

## MySuper

Employers must have a nominated fund, or 'default fund', where they make super guarantee payments for employees who have not selected a preferred fund (by completing a choice of fund form). From 1 January 2014, employers must make these contributions to a fund that offers a MySuper product: a new super product that will replace existing default products. Super funds will be allowed to provide MySuper products from 1 July 2013.

## Data and ecommerce standard

The new standard will reduce the time it takes to process super contributions and lower transaction costs by providing a consistent, reliable electronic method of making contributions. This means you may need to change the way your business processes super payments. The new standard will be applicable from 1 July 2014 for businesses with 20 or more employees, and 1 July 2015 for businesses with 19 or fewer employees.



## Value added auditing?

### You won't meet a more passionate auditor than our Antje Moore

Coming from a linguistic background, Antje Moore, an immigrant from beautiful Germany, started accounting life in the Australian community not for profit (NFP) sector and immediately was impassioned – about the people, the spirit and the contribution made to society by a willing, synergistic collective.

Antje subsequently completed formal accounting studies during which time she developed a keen interest in auditing which, she is the first to admit, was out of the ordinary. After being the sole volunteer for an internal audit role for a local company, Antje was on an upward trajectory to an auditing career.

In 2001 Antje entered public practice and found her niche at Collins Hume, "It was pretty much my experience and interest in NFP accounting that allowed me to specialise in the audit division. I worked under the firm's registered auditor John Hume who mentored me over many years which was wonderful."

During her tutelage Antje qualified with CPA Australia, further nurturing her audit forte, and worked her way up to become Collins Hume's Audit Manager.

These days, Antje is as passionate about auditing as she ever was; to her, auditing is not just assurance of the past, but an opportunity to review and look forward for improvement. When it comes to audit, there is no shortcutting on the broad cross section of Collins Hume clients with whom she enjoys working immensely:

- NFP clubs, associations and clubs incorporated under the various state incorporations acts
- State Government Entities
- School P&C associations
- Public companies / clubs registered under the Corporations Act
- State licensees in NSW and QLD (Real Estate Agents, Conveyancers)
- Strata agents
- Religious organisations (churches and special religious education organisations) with very specific rules including FBT as set by the ATO
- Travel agency licensees (Participants in the Travel Compensation Fund)
- Financial services licensees
- Law practitioners who require 'external examination'

Antje is also a Fringe Benefits Tax (FBT) whiz being across exemptions and thresholds which go hand in hand with audit. On top of her client portfolio, Antje is responsible for the constant improvement of Collins Hume's audit programmes which incidentally received special commendation during the firm's CPA review in 2011. From year to year, the reporting and auditing standards for audit engagements change and Antje ensures that Collins Hume complies.

In 2012 Antje started working on her goal to certify as a Registered Company Auditor which she attained on 27 March 2013. Antje is delighted that she has realised her



*"Tri it sometime - believe me, it changes your world."*

aspirations – she now has full sign-off for any audits submitted to ASIC and the Office of Fair Trading.

"Helping our clients to be organised, seeing the benefits and improving their situation reinforces why I love audit so much. I enjoy making recommendations to enhance the way our clients operate; improving internal controls, helping them to understand their own financials to make decisions, or just being more accurate," says Antje. "At the end of an audit, making sure client records agree with the audited financial statements can go a long way."

Antje keeps check on her sanity as closely as she does her clients, "I operate in three spaces – family, work and competing in marathons and triathlons. It's amazing how many problems of the world you can solve during a run at 5am in the morning when no one else is around!" [Click here to read Antje's full story.](#)

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