

Unleash – The Power of Small with Collins Hume and Paul Dunn in May Business event like no other in the region takes place on 25 May.

Collins Hume are flying in four times TedX speaker Paul Dunn from his world headquarters in Singapore to Ballina for a one-off, business building session.

Paul is regarded by those 'in the know' as one of the most extraordinary presenters in the world. The way he engages the audience and instils energy into them is very, very special. On top of that, Paul's subject knowledge, and his ability to communicate it, is amazing.

[Peter Fowler](#) at Collins Hume said, "It is a serious coup for us to have Paul in Ballina. People who get to experience him will be deeply impacted and remember it for life, that is for sure. Being a TedX speaker you can be assured the presentation that Paul will give to our audience in Ballina will be nothing short of spectacular."

"I have seen him speak a number of times and I am never disappointed. To top it off I can guarantee everyone that attends will take something from this presentation that will inspire them to do something (if not a number of things) a little differently in their lives or business that will positively impact the rest of their life."

Unleash Your Business Power

The aim of this event is to help business owners to build and improve their business, it doesn't matter how small the business or the budget. Paul Dunn has positively impacted the lives of tens of thousands of business owners around the world. It's expected he'll do the same for local business people too.

We all regularly wish for a fresh set of eyes when we're writing communications or business plans; often we're too close to the business to see the big picture. This morning presentation promises to bring down-to-earth, simple ways of adding significantly more revenue and profit. The difference can be instant.

For your opportunity to book go to <https://CHunleash.eventbrite.com>. Tickets start at just \$29 and all ticket sales are being donated to charity. To be able to host talent of this calibre in our region is exceptional; this is an event not to be missed thanks to the generous sponsorship from Ballina RSL Club, ANZ Bank, Regional Finance Solutions, GPS Wealth, Quality Plus Printers, Paradise FM, Eye of Horus Cosmetics, McInnes Legal, Quadracon Building and Richmond Sand Gravel & Landscaping.



Helping hand Impact of Northern NSW floods left many businesses all at sea.

Keep reading this edition of The Strategist to find out about assistance available and how Collins Hume can help fast-track your paperwork. Call us on 02 6686 3000 or enter 'flood' in the search box located top right of our website collinshume.com.au.

Collins Hume are currently assisting with grants and completing applications FREE OF CHARGE for businesses impacted by recent floods. Additionally, business owners directly affected by 2017's floods are eligible to receive a free ticket to Unleash the Huge Power of Small on 25 May in Ballina. Call us for more details.

Australian super reform afoot

With the majority of super reforms starting 1 July 2017, it's important to consider how these might impact you and whether you need to take any action before then.

[Contact Collins Hume](#) on 02 6686 3000 to discuss the impact of these reforms. [Click here](#) to review key reforms ahead of 1 July.

The Balancing Act

The problems that any Australian Government is expected to resolve and the wish list they are supposed to fulfil is extensive regardless of which party is in power.

As author John Lydgate wrote:

"You can please some of the people all of the time, you can please all of the people some of the time, but you can't please all of the people all of the time."

This Budget delivers a series of measures to attempt to please as many people as possible. It tackles the issues currently in focus across the Australian community – gaps in healthcare, first home ownership, foreign workers, investment and bank accountability to name a few of the pressure points. It also delivers an economic 'sugar hit' in the form of \$75 billion in infrastructure projects.

Key measures include:

Business

- Extension of the \$20,000 immediate deduction until 30 June 2018
- Contractors in the courier and cleaning industries face greater compliance
- Access to small business CGT concessions tightened
- Banks slugged with 'major bank levy' increase to 60% for investments in affordable housing, and Managed investment Trust investment opportunities in affordable housing
- Deductibility of investment property travel costs to end and restrictions on depreciation deductions
- A series of restrictions on foreign property investments

Superannuation

- Super concessions for over 65s to downsize – up to \$300,000 per member
- The ability for would-be first home owners to salary sacrifice into super to save a deposit



Individuals and Families

- Medicare levy increase to 2.5% from 1 July 2019
- Help with energy bills for some social security recipients
- Demerit system for jobseekers

Investors

- An array of housing affordability measures including: a CGT discount

Overall the 2017-18 Budget will not offend anyone (except perhaps the banks) and there are plenty of give-aways. The only danger is the level of optimism in the economic projections in a climate of uncertainty.

[Click here](#) to read or download our full Budget report.

Paying more tax than you need to?

What can you do to reduce your tax and the tax paid by your business?

The answer is quite a bit, but it takes planning pre-30 June and timing is everything. Here are our four top tips:

1. Accelerate deductions

For businesses, if your cash flow is good, make the purchases you need before the end of the financial year to claim the deduction, particularly those with turnover under \$10 million. The \$20,000 immediate deduction reduces back to \$1,000 on 30 June (see *Why 90,000 more businesses can access the \$20k instant asset write-off this year*).

For individuals, it's a good time for charitable giving.

2. Delay income - One off opportunity for high-income earners

Taxpayers with assessable income above \$180,000 face an additional 2% tax on every dollar above this level. The 2% 'debt tax' is scheduled to end on 30 June. The difference in timing between the reduction in the FBT rate that occurred on 1 April 2017 and the removal of the 2% tax on 1 July offers a one-off opportunity to reduce your taxable income through salary packaging and other planning initiatives.

If you are likely to have a one off spike in income, for example from the sale of a business or other significant assets, it's worth seeing if you can delay the sale until 1 July 2017 to avoid paying an additional 2% tax. Just be aware of how the arrangement is structured. In many cases the sale is treated as having taken place for tax purposes when the parties enter into the contract, even if settlement occurs at a later point in time.

3. Money or debts owed to private companies

It's common for business owners to take cash out of their business or for the business to fund some personal expenses through the year – these appear in the shareholder loan account. If this has occurred, it is important that these debts are either repaid by 30 June (you can declare dividends to pay any outstanding shareholder loan accounts) or a formal loan agreement (with specific conditions) is put in place. Without taking action, the ATO will treat any outstanding amount as a deemed dividend taxable in the hands of the shareholder at their marginal tax rate.

Housekeeping for business

- For companies, directors' fees and employee bonuses may be deductible for the 2016-17 financial year if the directors pass a properly authorised resolution to make the payment by year-end (payment should be made as soon as practicable). Just be aware of the 2% debt tax for high income earners (see left *Delay income - One off opportunity for high-income earners*)
- For Trusts, it is essential that decisions to distribute pre 30 June income are documented in writing
- Write off bad debts
- Review your asset register and scrap any obsolete plant
- Bring forward repairs, consumables, trade gifts or donations
- Pay June quarter employee super contributions now if cash flow allows
- Realise any capital losses and reduce gains
- Raise inter-entity management fees by June 30

Natural Disaster Relief & Recovery Grant

March 2017 NSW North Coast Floods

A grant up to \$15,000 to all eligible small businesses for clean-up and immediate restoration costs in the following areas:

Lismore LGA – Localities

- Lismore
- East Lismore
- North Lismore
- South Lismore
- Girards Hill

Tweed Shire LGA - Localities

- Bray Park
- Condong
- Murwillumbah
- South Murwillumbah

Purpose: To provide grants to small businesses that have suffered direct damage as a result of the March 2017, NSW North Coast floods for clean-up, removal of debris and restoration to assist business to continue or commence trading.

This grant is not intended to replace the need for insurance, and is not intended to provide compensation for losses. All claims for assistance will be assessed on a case-by-case basis.

Who is eligible?

Eligible small businesses which:

- Have less than 20 full-time (or equivalent) employees; and
- Are a registered business, partnership or sole trader; and
- Have an Australian Business Number (ABN); and
- Have suffered direct damage to their premises and/or tools of trade (e.g. equipment/plant) as a result of the March 2017 NSW North Coast floods and the cost of essential repair or replacement are the applicant's responsibility; and were conducting business prior to and including the date of the event, or are business enterprises in the development phase (e.g. premises being prepared but trading had not yet commenced); and
- Are intending to re-establish the business enterprise; and
- Derive the majority (more than 50%) of their individual gross income from the business enterprise.

5 Myths of NSW Natural Disaster Grants

Collins Hume are on hand to assist grant applications FREE OF CHARGE for businesses impacted by recent floods.

We debunk five of the most common myths currently circulating about successfully applying for financial aid. Did you know:

1. You only need an invoice to go with your application. Payment does need to have been made for your application to be submitted.
2. Once you have registered you can continue to add invoices to your original application without a new application being made.
3. If you received an insurance payout you can still apply for the grant.
4. Whilst the cut-off date for applications is 13 October 2017 – provided your registration was successful before this date – you can continue to make additional application for payments up to 12 months after this date.
5. Registration and payment will be completed within 14 days (in most circumstances).

Call us on 02 6686 3000 for professional assistance with your application or [click here](#) to read more about costs covered and eligibility requirements.

Why more businesses can access the \$20k instant asset write-off

\$20k immediate deduction extended for another year.

- **Date of effect: extended until 30 June 2018**

The \$20,000* immediate deduction threshold for assets purchased by businesses with an aggregated turnover of under \$10 million will be extended until 30 June 2018. Assets will need to be used or installed ready for use by 30 June 2018 to qualify for the higher threshold.

Assets costing \$20,000 or more can be allocated to a pool and depreciated at a rate of 15% in the first year and 30% for each year thereafter. If the closing balance of the pool, adjusted for current year depreciation deductions (i.e. these are added back), is less than \$20,000 at 30 June 2018 then the remaining pool balance can be written off as well.

Instant asset write-off only applies to certain depreciable assets.

There are some assets, like horticultural plants, capital works (building construction costs, etc), assets leased to another party on a depreciating asset lease, etc, that don't qualify.

The current 'lock out' laws for the simplified depreciation rules (these prevent small businesses from re-entering the simplified depreciation regime for five years if they opt out) will continue to be suspended until 30 June 2018.

From 1 July 2018, the immediate deductibility threshold will revert back to \$1,000. There are a few issues to be aware of if you want to utilise the instant asset write-off which you can investigate by calling Collins Hume on 02 6686 3000.

The instant asset write off is a tax deduction that reduces the amount of tax your business has to pay. It enables your business to claim a deduction for depreciating assets in the year the asset was purchased and used (or installed ready to use). For example, if your business is in a company structure the most you will 'get back' is 27.5% (in 2016-17). If your business is likely to make a tax loss for the year then the bigger deduction might not provide any short-term benefit to you.

** \$20,000 exclusive of GST for GST registered businesses. \$20,000 inclusive of GST for businesses not registered for GST.*

Unlock the 'secrets' to tax planning

30 June will soon be here

Let Collins Hume help you get the most of out of the upcoming weeks.

There could be a number of tax planning strategies that, when applied to your individual circumstances, can save you money plus grow your family's wealth in a low-risk manner. For example:

- Making BIG Super Contributions
- Using a 'bucket' company
- Using a self-managed super
- Trust Distribution Resolutions before 30 June

It's not too late to get started with tax planning. Call us on 02 6686 3000 or [click here](#) to grab a form to get us started.

Why work-related travel claims are easy pickings for the ATO

The ATO is on the warpath over work-related travel expenses and prepared to test the boundaries of claims in court.

A recent case before the Administrative Appeals Tribunal (AAT) highlights many of the issues that commonly occur. While this case appears excessive, the main parameters highlight common issues that arise for work related travel claims. You can [read it here](#).

What paperwork do you need to claim travel expenses?

Every year, the Commissioner publishes the reasonable rates for travel expenses – accommodation, food and drink, and incidental expenses. If claims fall within these reasonable amounts, you can deduct travel allowance expenses within Australia without being required to keep full written evidence of all the expenses. But, even if you can rely on the substantiation exception, you may still be required to show the basis for determining the amount of your claim - that is, you still might need to prove that you actually incurred the expenses, and the expenses were work related.

An area of concern is where these reasonable rates are applied carte blanche. For example, you might be travelling overnight but don't leave until the afternoon. You have breakfast and lunch as usual before travelling, sleep away from home, then return home the next night. In this circumstance you could not claim breakfast and lunch on the first day because these meals would have been consumed before the travel began.

Also, the ATO's reasonable rates for accommodation expenses are only applicable if you are staying in commercial accommodation such as a hotel, motel or serviced apartment. If you choose to stay with family or friends while you are travelling then you can't claim the ATO's reasonable amount.

If you choose to claim amounts above the Commissioner's reasonable amounts, you need to keep records substantiating all of your claim.

Just because you receive a travel allowance does not mean you have a legitimate claim. One of the issues highlighted in this case was the misconception that because someone receives a travel allowance or overtime meal allowance, this automatically entitles them to a deduction. The expenses still need to be incurred in the course of



work-related travel in order to be deductible. Also, the ATO's reasonable rates don't apply unless the allowance itself is 'bona fide' – that is, the amount must reasonably be expected to cover accommodation or meal expenses that will be incurred while travelling for work.

To qualify as a travel expense, you need to travel away from your ordinary residence. The ATO takes that to mean that you're sleeping away from home – not just travelling for the day.

The difference between travelling in the course of your work, living away from home, or relocating is important. The tax treatment between these is quite different so make sure you clarify any issues with us before finalising any travel-related deductions.

Related reading

- [Managing the log book just got easier](#)
- [Claiming self-education expenses](#)

Meet Collins Hume Accountant, Roger Tseng

After joining in 2016, Roger has been all hands to the pump on company tax returns, accounting, BAS and financial reporting.

Roger enjoys a steady stream of work from all of Collins Hume's [Partners](#), but is currently gearing up for the bout of pre-year end tax planning that typically occurs each April. At the moment Roger's focus has been on local sole traders, particularly trade businesses and contractors.

Being a [Xero](#) Certified Adviser, Roger knows that benefits that a cloud accounting system can bring to any business and, for tradies and contractors, the advent of mobile payments is an exciting development.

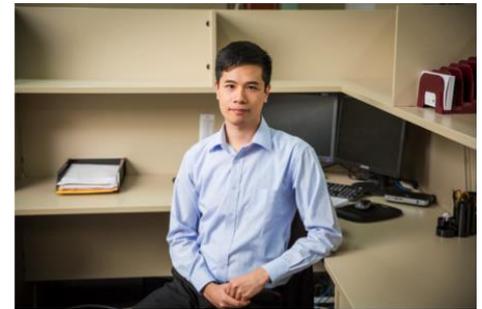
"Mobile payments are being forecast as the next big thing for businesses," says Roger. "Whilst most people continue to pay using traditional credit cards and cash, the mobile payment revolution is coming – it's only a question of when."

At the end of this year Roger plans to have completed the work experience component of his CPA qualifications, under the careful tutelage of mentor [Peter Fowler](#).

"With Peter we discuss the type of work I do; Collins Hume have a career plan for me and my professional direction," says Roger. "Obviously I enjoy doing the actual accounting working more than the exams. At Collins Hume the door is always open for any questions I have – I just have to knock."

For now, Roger is focussing on ['everything tax'](#) (except super funds) and is very much looking forward to becoming a fully-fledged member of CPA Australia in the not too distant future.

Roger holds a Bachelor of Business in Professional Accounting from the Queensland University of Technology. Before moving to the Northern Rivers, he worked as an accountant for a Brisbane firm. Roger is a Xero Certified Adviser and is also proficient in using MYOB, QuickBooks and BankLink.



Collins Hume FINALISTS in 2017's Australian Accounting Awards

Collins Hume have been shortlisted as Finalists in four national category awards for Community Engagement, Firm of the Year, Office Administrator of the Year and Partner of the Year at the 2017 Australian Accounting Awards, hosted by AccountantsDaily and partnered by Thomson Reuters, industry publisher for the accounting industry.

Now in its fourth consecutive year, the Australian Accounting Awards, which covers 26 categories, recognises individual excellence in accounting, from the profession's most senior ranks to its rising stars. Winners will be announced at a black tie awards dinner on Friday 26 May 2017 at Sofitel Sydney Wentworth.



Business grants update

Hundreds of grants targeted at small/medium enterprises offered by Australian, state and territory governments.

The amount of the grant assistance varies but on average is around 50% of the cost of a particular project. Some of the grants, incentives and special loans that you might be interested in include:

- **Industry Capability Network** – this is a great way to get noticed! The network involves all of the Australian government's together with the New Zealand government and offers a unique opportunity for a business to complete a Capability Statement that is then incorporated into a very large network database that is brought to the attention of large developers and other businesses that might be looking for someone with a particular skill to undertake an assignment. There are potential benefits for virtually every business in Australia from being registered on this network.
- **Business Export Loan** – this is a loan for small businesses which are exporting that is available from the Export Finance Insurance Corporation. The loan is only available if your bank has declined to assist. The minimum loan is \$50,000 and a business that has exported at least once in the last two years and has annual revenues of \$250,000-\$10 million can apply. The grant is not available to sole traders and partnerships.
- **GP Doctors and Specialists** – to relocate to outer metropolitan areas, regional or remote areas. Grants up to a maximum of \$120,000 are available for relocation to very remote areas payable over two years.
- **Business Growth Grant** is available for businesses that operate in the "growth sector industries" as deemed by the Australian government. Check with us to see if your industry is eligible.
- **Grants of up to \$20,000**, on a 50% basis, are available to carry out projects which are anticipated will "enhance the business' performance". Applicants must be companies with a minimum turnover of \$1.5 million (in northern Australia \$750,000). Companies must have operated for a minimum of 3 years.

If you have any questions on any aspect of government grants that might be available for your business please contact us by phoning 02 6686 3000.

Read more at [Growing small to medium businesses with government grant funding.](#)

Crowd Sourced Funding now law!

Long-awaited amendments to the Corporations Code were finally passed by Parliament with legislation planned to commence from Sept 2017.

This legislation, in conjunction with the [ESIC Legislation](#), completes the commencement phase of the Australian government's Innovation Strategy announced in December 2015.

The legislation will enable virtually any company that is prepared to convert from a Pty Company to an Unlisted Public Company to be able to raise up to \$5M every 12 months from the "crowd". There will be an investment limit of \$10,000 each 12 months for a retail investor. There is no limit for a sophisticated investor.

To be able to raise capital a company will need to produce "bankable documents" relating to:

- market research
- intellectual property ownership
- marketing plan
- [business plan](#)
- [budgets](#) and [cash flow](#) forecasts
- information memorandum

If you would like a discussion on Crowd Sourced Funding Legislation as it applies to your business, contact us on 02 6686 3000.