

## 2012 Ballina Shire Northern Star Business Excellence Awards

### Collins Hume Winners of Professional Services Award 2012

SATURDAY 20 OCTOBER 2012 Collins Hume was named winner of The Professional Services Award in the Ballina Chamber of Commerce and Industry's 2012 Ballina Shire Northern Star Business Excellence Awards.

After a busy year of working on the business (and of course in it), the Business Excellence Awards were a timely opportunity to pause for thought and think about all the achievements of the firm in the last 12 months.

BCCI coordinate the awards annually to showcase the calibre of business trading in our Shire, "We have a unique business mix with many varied industry sectors and traders of all sizes from micro or home-based to large manufacturers."

Partners [Chris Atkinson](#), [Shane Bartrim](#) and [Ian Wunsch](#) accepted the Professional Services Award on behalf of Collins Hume, thanking BCCI and all the participants and sponsors and congratulating BCCI on organising another great annual awards night.

Chris continued, "To all the small businesses here make no mistake; you are the backbone of our community. And, as small business owners, we all know that we can only provide the leadership, and it's the team that really makes it all actually happen, so I'd like to accept this award on behalf of our team, and greatly thank our clients."

"Finally congratulations to everyone here for having a glass half full attitude."



BCCI recognises that trading in 2012 is challenging, and values the opportunity to showcase local business achievements, whether it be significant growth, or staying steady in an ever-changing trading economy. Business deserves recognition for the risk taken and the investment made to establish and grow in our local economy.

Collins Hume CEO [Shane Bartrim](#) added, "Congratulations to everyone for being winners at this year's Business Excellence Awards. This award belongs to you, and our teams for all their hard work and contribution to our community."

Winner selection is conducted by an independent judging panel appointed by BCCI showing the meticulous lengths the chamber goes to ensuring high-quality, thoroughly considered candidates. Get onside with Collins Hume if you are looking for a second opinion on your accounting, tax and business planning needs by calling us on 02 6686 3000.

## LAFHA tax treatment changes

### A backflip has happened on this change

Original reforms were to remove LAFHA from the FBT regime completely and bring LAFHA into the Income Tax Regime, but a backflip has happened on this change.

The end result is that the current regime will continue but with significant changes, which are to 'benefit people who are legitimately maintaining a home in Australia away from their actual home for an initial period'.

The two major differences in LAFHA from 1 October 2012 are:

1. The employee must maintain a home in Australia for their own use at which they usually reside
2. The concessional treatment is limited to a period of 12 months for an employee at a particular work location

This will result in huge losses to non-resident employees, temporary residents and 457 Visa employees in that a portion of their employment package cannot be paid to them under the hugely favourable LAFHA concessions. This essentially means that only Australian residents who maintain their own residence and provide a declaration of this fact to their employer will still be eligible for LAFHA for a period of 12 months at a particular work location. These changes do not apply to Fly-In/Fly-Out and Drive-In/Drive-Out employees.

## Selling your business requires preparation

### Dress up your business now to maximise the price

A large number of 'baby boomers' are getting ready to sell their businesses. If you are in this category, or you would like to sell your business in any case, taking your time to do some planning should enable you to attract a higher price for the business than what you would get if the decision to sell is not planned or is rushed.

Business owners who are hopeful of passing their business onto their children (or one of their children) need to look at succession planning and have some basic questions answered including:

- Do your children want to take over the business?
- Are they capable of doing so?
- Will you get enough money out of the deal?

If you do decide to have a family succession, it is desirable to implement a training program so the next generation understands how the business is run.

One problem with trying to sell a business at present is that, with the 'baby boomers' approaching retirement age (or what is generally accepted as being retirement age) there will be a significant rise in the number of businesses on the market. If you are going to maximise the sale value of your business, be prepared. You need to get the business in the best possible state to enhance the sale value. Normally this process will take 1-2 years and in this time you should ensure that appropriate, robust systems and controls are in place (if not already).

Prepare a business plan outlining how you envisage the business would operate for the next three years and update systems manuals; the business should appear to be stable and confident in its future operations and be able to accommodate a new operator. You may need an adviser to assist you in the sale of your business / succession planning (especially if you are undertaking family succession) to look at key activities and identify any gaps that may exist so that work can be undertaken to improve business performance in these areas.



[Shane Bartrim](#) says, "The key is understanding where the gaps are between the present state of your business and best practice, and then fixing any gaps so that your business will stand out from others being offered for sale."

If you would like assistance with a review of the readiness of your business for sale, please do not hesitate to contact us on 02 6686 3000.

## Manage risk to avoid problems

### Our strategies to manage the risk variables affecting your business

Establish Key Performance Indicators (KPIs) for your business and use them.

Calculate key figures on sales per unit, production per person, sales per person, GP percentage, overhead expense percentage and net profit percentage.

Benchmark your business against similar businesses. As accredited [Value Improvement Benchmarking Advisers](#), we can help you to increase your profit and business value, therefore helping you to secure your future. We provide quality, real time and comparable business valuation, improvement and performance benchmarking information.

Keyman insurance for key personnel, including death and disablement cover.

Buy/Sell Agreements with shareholders / partners.

Understand the covenants that your bank has specified for your finance facility and keep your bank manager informed.

If you would like us to assist you in analysing the risks in your business, please contact us on 02 6686 3000.



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## Tax compliance with peace of mind – a much appreciated combination

**As a busy medical practitioner and dedicated medical educator, all our client would like out of life is a healthy work/life balance**

Having become a specialist and setting up a business recently, primarily she wanted someone to look after the tax and compliance side of her business so that she could focus on what she does well – helping others.

After 12 months of working with Collins Hume, she now has the peace of mind that that is now being done.

Collins Hume's [Chris Atkinson](#) began by clearly communicating the work involved and the likely pricing, backed up by Estelle and the team.

The next step was to organise the business to get [BankLink](#) feeds. Chris can now monitor activity and bank statement information, rather than wait for our client to submit these in order to process her tax return – often a challenge as our client has to make time to attend to business tasks as and when her busy medical schedule allows.

Our medical client is delighted with the results Collins Hume has helped her achieve.

"Working with Collins Hume is like a breath of fresh air," she says. "My tax is ticking over. I receive clear and frequent communications. The team is on the ball and it's nice to be put through on the phone straight away."

"A huge weight has been lifted in coming to Collins Hume. Everything is squeaky clean and sorted. I know the percentage rate of tax for which I'll be liable and the likely bill for that which is squared and submitted."

"Not having to do BAS is a big relief – it's great to hand it over and I think the ATO can see the quality of professionalism in Collins Hume's work."

**"This year my tax was in earlier than ever before, with a little refund in my favour to boot!"**

"Having worked all over the world, I really like their friendliness and country-style interaction. I no longer feel like an imposition whenever I make a call or a query into the status of my affairs."

These simple strategies have opened up the discussion so, together, we can find more ways to make life easier for our client. Tax changes made being a company less advantageous soon after our client became one, but we have already identified benefits in staying with the business entity, which could only be achieved by working and planning together.



**The happy end to the story is that our client now feels that Collins Hume has taken professional control of her financial affairs which are now set up beautifully and ticking along.**

And, for our client, it was a painless process switching accountants.

As her medical specialist business expands, we hope to support and help our client use her business to achieve her ideal work / life balance, which is becoming increasingly important, giving her the confidence to do so.

Our partners and staff have extensive experience working with clients in a wide range of industries and professions, including medical.

If you are a practitioner in any medical or health-related field and would like to avail yourself of Collins Hume's specialist expertise in your industry, call us on 02 6686 3000.

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## Australia's best and worst super funds

### Could self-managed super present a better investment option?

Recently the Australian press reported, "More than six million Australians would have been better off stuffing cash under a mattress than putting it in their employers' default superannuation option over the last five financial years."

Even more alarming is the statistic that most Australians make **no active choice** when it comes to super; the majority (60 per cent) have their super paid automatically into the default investment option of their employers chosen superannuation fund.

Thanks to the battering of the global financial crisis, every dollar invested in a typical default fund went backwards, after fees and taxes, by 0.3 per cent a year on average over the past five financial years, according to data from SelectingSuper.

Of the 83 default super options available over the five years, 51 delivered negative annual returns for members (6,066,129 member accounts) and 32 delivered positive returns (10,179,634 member accounts) therefore showing that choice of super fund is crucial.

Large and persistent divergences exist across fund performance. The top performing default option fund delivered an average annual return of 6.7 per cent, after fees and taxes, to its nearly 2 million members over the decade. Whereas the worst performing default option returned just 2.5 per cent a year to its 20,551 members.

Collins Hume's Accredited Superannuation Specialist [Peter Fowler](#) says, "\$10,000 invested in the worst fund a decade ago would be worth \$12,800 today, but the same amount invested in the best fund would be worth \$19,100 - a potential \$6,300 windfall just from being in the best fund."

But it's not all doom and gloom. Australians could gain a lot by doing the research and comparing funds according to their longer term return over five or ten years. One way, many believe, is to take a proper look at self-managed super funds (SMSFs) as a strategy to controlling super and how funds are invested.

Collins Hume's [Ian Wunsch](#) adds, "All roads should lead to providing a fulfilling retirement. Taking action today to improve your worth when you retire reaps more benefits the earlier you plan and implement. Doing so allows you to optimise the value of your retirement planning efforts – whether through your business, or from other well-considered opportunities and initiatives."

With so many wealth creation options available, phone Collins Hume on 02 6686 3000 to discuss your individual needs, after all it is your retirement. Act now and start securing your future.

Read more on our [Superannuation](#) page. This is general advice only and may not suit your particular circumstance. We advise you seek financial, legal and tax advice before proceeding.

## Grants for SMEs

### Export Market Development Grant

REMINDER: If you are an exporter and have spent an excess of \$20,000 on export market activities during 2011/12, then you may be eligible to apply for an Export Market Development Grant.

Eligible expenditure includes:

- overseas representation (limits apply)
- marketing consultant (limits apply)
- overseas marketing visits
- communication costs to export clients or potential export clients
- product samples sent overseas
- trade fair registration fees
- promotional materials, and
- cost of bringing overseas buyers to Australia (limits apply)

Businesses that have spent in excess of \$20,000 on these types of activities for export market development purposes can lodge an application to claim 50% of that expenditure, up to a maximum of \$150,000.

Export market development expenditure incurred for promotions in New Zealand, North Korea and Iran are excluded in the calculation of eligible expenditure.



Grant applications for the year ended 30 June 2012 **must** be lodged by **30 November 2012**. There are no extensions granted beyond that date.

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## Is an industry skills shortage in your business limiting your potential?

**Engineers, architects, building designers, surveyors, town planners and environmental consultants: what would happen if you lost some of your key staff at the moment? Would your business survive?**

Here's a prime example: 75,000 engineers retired from the engineering services industry between 2005 and 2011 while, during the same period, only 45,000 graduated from Australian universities.

Professional industries are struggling to keep up with demand, so we find many small to medium size professional business owners are asking, "How can I secure the engineers I need to resource my existing project portfolio in a market where demand is well in excess of supply?"

Collins Hume's research of these sectors reveals an urgent need for professional businesses to receive better, more proactive planning advice to ensure your future success. We understand business owner's need:

- Strategies to help retain, attract and motivate staff
- Solutions to improve business performance
- Better understanding of your business value and value drivers
- Structured succession planning that reduces key partner dependency, transitions value fairly and maximises capital for exiting partners

### We know your industry

Collins Hume is part of a national, independent, professional adviser network specialising in advising professional businesses such as yours on your direction, growth, performance, staff and succession. We have undertaken comprehensive research on your industry and have completed world class training to gain the highest level of adviser accreditation.

### If you would like to secure your future, we can help you

The first step in our process is to meet with you so we can understand your business needs and objectives. This first meeting is at our cost and there is no obligation to progress beyond this unless you believe we can help.

Read more about how we help professional services businesses on our [Sector Specialisations page](#). Then contact us on 02 6686 3000 to organise your first free complimentary consultation.

*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.*



## Latest giving news

Delighted to learn that The Board of B1G1 Giving has awarded Collins Hume the honour of being a **B1G1 Certified Giver** in recognition of our long-term and effective giving. Thanks B1G1!

**Our giving impact**  
421,375 giving activities to date



We've given 100,020 people in need agriculture support for a day

Find us on [b1g1.com](http://b1g1.com)



## Bon voyage to our Surf the Wave to Success attendees

After months of planning, it's time to wish our Surf the Wave to Success delegates a productive conference which starts this weekend with one of Australia's premier Business Strategists and nationally recognised Young Business Leader [Peter Fowler](#). Hope the surf is swell and the ideas abundant!

**"The only way to know if Surf the Wave to Success 2012 is right for your business is to come along"**



28 Oct – 7 Nov 2012 | Resort Latitude Zero  
Teto Islands Indonesia  
[www.collinshume.com.au/services/events](http://www.collinshume.com.au/services/events)



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