

Ensure you have a Better Business in 2018 and beyond with Business Improvement workshops this November!

\$500 off regular rate to give your business massive momentum leading into Christmas and the 2018 New Year ahead.

During our last round of Better Business Workshops in August:

- Manufacturer implemented new processes to enable greater efficiency in the business and dramatically reduce reliance on the owner
- Wholesaler was able to develop new distribution networks that will double business revenue in the next six months
- Professional services principals revisited why they started their business and rediscovered their passion. They now understand what drove them to go into business and can re-engage and re-engineer their business to make it more enjoyable for themselves and their team

You can achieve similar results by working with Collins Hume

In the New Year you'll be ready to hit 2018 running and make it your best year yet, but you need to start now. We kick off with a Spring morning in Collins Hume's Boardroom with strong coffee and a structured agenda designed to:

- Sharpen your 'Why' – What is your purpose?
- Prepare a SWOT analysis – Unleash the opportunities within your business
- Review risks within your business and identify value and profit drivers to ensure you grow it in the most efficient way
- Set KPIs – Establish goals for you to achieve and celebrate
- Determine business improvement strategies to boost your business to the next level
- Receive a Better Business Plan prepared by a specialist Business Adviser
- Wrap it all into your one-page business plan that is easy to follow

Each business then receives a 2-hour, one-on-one customised session with either [Peter Fowler](#) or [Jamie Doyle](#) to review each plan and really drill down on the strategies which, in turn, will give your business a great boost into 2018.

Collins Hume's Better Business Workshops are normally priced at \$970 however, due to the priority we place on the process and the great outcomes participants are experiencing, we are making places available in our Spring workshop for only \$470 including GST per business.

By attending you provide 1,200 days of education to underprivileged children in Africa.



What / Where / When

- Wednesday 15 November 2017
- Arrive 8.30AM for half-day session 8.40AM to 1PM
- CH Boardroom, 97 Tamar St Ballina
- BYO laptop or tablet (Wi-Fi provided)
- Special rate \$470 incl GST per business, 2-hour individual session plus Business Improvement Report
- Light refreshments provided
- [Click here](#) to book your place

Places are strictly limited to 10 businesses only or 14 individuals at each session. For any queries, please phone Collins Hume on 02 6686 3000. We look forward to having you join us.

"Peter Fowler's guidance at the Collins Hume Workshop gave me the opportunity to work on business improvement strategies and provided simple action plans to expand, build, create and develop within my business. Fantastic workshop and extremely worthwhile." – Michelle Harris, [Envirostyle Byron Bay](#)



Superannuation Guarantee

The ATO receives around 20,000 reports each year from people who believe their employer has not paid or underpaid compulsory superannuation guarantee (SG). In 2015-16 the ATO investigated 21,000 cases raising \$670M in SG and penalties.

The ATO's own risk assessments suggest that between 11% and 20% of employers could be non-compliant with their SG obligations and that non-compliance is "endemic, especially in small businesses and industries where a large number of cash transactions and contracting arrangements occur."

Celebrity chefs are the latest in a line of employers to publicly fall foul of the rules; one for allegedly inventing details on employee payslips and another for miscalculating wages.

So what happens if your business gets SG compliance wrong?

Under the superannuation guarantee legislation, every Australian employer has an obligation to pay 9.5% Superannuation Guarantee Levy for their employees unless the employee falls within a specific exemption. SG is calculated on Ordinary Times Earnings – which is salary and wages including things like commissions, shift loadings and allowances, but not overtime payments.

Employers that fail to make their superannuation guarantee payments on time need to pay the SG charge (SGC) and lodge a Superannuation Guarantee Statement. The SGC applies even if you pay the outstanding SG soon after the deadline.

The SGC is particularly painful for employers because it is comprised of:

- The employee's superannuation guarantee shortfall amount – so, all of the superannuation guarantee owing
- Interest of 10% per annum, and
- An administration fee of \$20 for each employee with a shortfall per quarter

Unlike normal superannuation guarantee contributions, SGC amounts are not deductible, even if you pay the outstanding amount. That is, if you pay SG late, you can no longer deduct the SG amount even if you bring the payment up to date.

And, the calculation for SGC is different to how you calculate SG. The SGC is calculated using the employee's salary or wages rather than their ordinary time earnings. An employee's salary and wages may be higher than their ordinary time earnings particularly if you have workers who are paid for overtime.



Under the quarterly super guarantee, the interest component will be calculated on an employer's quarterly shortfall amount from the first day of the relevant quarter to the date when the superannuation guarantee charge would be payable.

Penalties imposed on any employer failing to meet SG obligations on time may seem harsh, but they have been designed that way on purpose. This is really money that belongs to the employee and should be sitting in their superannuation fund earning further income to support the employee in their retirement.

Directors personally liable for unpaid SG

Where attempts have failed to recover superannuation guarantee from the employer, the directors of a company automatically become personally liable for a penalty equal to the unpaid amount.

Directors who receive penalty notices need to take action – speaking with Collins Hume is a good starting point. If you are uncertain about your SG obligations or would like a compliance audit of this and other key risk areas of your business, call us on 02 6686 3000.

Why do only a few successful business people outperform their peers?

Our tips for improved self-discipline in FY18

1. Make the commitment

If you really want to achieve your goals, then you must make a commitment to be disciplined. Being disciplined isn't something you have – it's something you do. Discipline every habit you have. Be disciplined with your physical health and nutrition, put responsibilities before leisure, control your reactive emotions, watch what you say and keep a positive mindset.

2. Stay focused

Review your goals each morning before you start the day, or set and review your goals for the next day before you go to sleep. Pick a quiet time and place to focus and visualise on what you want to achieve in the short and long term. This will help you set the most important goals on your list for the next day. As you visualise, see yourself achieving your goals and imagine how that feels. In this way, you start your day with a productive and positive mindset.

3. Prioritise tasks

As you plan your day, train yourself to accomplish the tasks that require the most effort and discipline from you. Get your 'big stress' items out of the way. When you accomplish your more stressful tasks first, not only will you begin to do this with more consistency, but you will be less anxious throughout the rest of the day, allowing you to be more productive on other activities.

4. Rest

An important key to success is having your mind and body ready and prepared for each day. There is nothing better for concentration and the ability to be patient than getting enough rest. Create a bedtime routine that helps you wind down and shut out the day. Make an agreement with yourself to let go anything that is stressing you before bed and relegate it to being tomorrow's number one priority.

It's helpful to write about your day in a journal before you sleep, where you mentally and emotionally wrap up the day and figuratively close the book on it. Writing also helps you to find solutions and decrease your stress before bed, releasing any negative energy you might be still carrying from the day.

5. Do the little things

A great way to cultivate the habit of discipline is to focus on doing the little things



you know you should do such as keeping your environment clean, your desk tidy, discarding rubbish and picking up after yourself. As you attend to these little things, you become better disciplined at doing the bigger, important things.

6. Eat for energy

Easier said than done at times however we all know it's true and what we've learnt after many years of experimentation is that this is very individual.

7. Follow through

Make decisions ahead of time. If you decide to exercise each morning before work, then make sure you do it no matter how much you might not want to. If you are going to take on an important project in the morning, don't second-guess your decision in the morning. Once the decision is made, follow through with it. Your mind is often your biggest enemy on follow through; it will try to talk you into laziness or procrastinating. You can win this battle and keep up with everything you have planned.

8. Reward yourself!

When you see the success you have created coming to fruition, reward yourself when you are done. Be happy and proud of yourself!

Director's fees

What and how to pay them

The issue of Director's fees often comes up – should Directors be paid and, if so, how should they be paid? We answer the common questions for private companies.

Can you pay a Director?

Directors who work in the company, Executive Directors, generally have an agreed executive remuneration structure that takes into account their service including attending Board meetings so, generally, no extra fees for service outside of the agreed remuneration structure.

For Non-Exec Directors, companies can only pay Director's fees if the company constitution allows for it or a resolution is passed to make the payments. The resolution to pay Director's fees must be made and documented prior to paying fees. These fees are in addition to any agreed expenses such as travel expenses to attend Board meetings or in connection with the company's business.

Fees paid to Directors are subject to disclosure requirements. Special rules exist for listed entities, not for profits, APRA-regulated financial institutions and specific advice should be sought for the management of Director's fees by these entities.

Tax deductibility of Director's fees

Fees paid to Board members are tax deductible to the company in the year they are paid or intended to be paid. Many Boards pass a resolution to pay Director's fees just prior to the end of the financial year to claim the tax deduction in that same year. The fees do not necessarily have to be paid prior to the end of the financial year but the Board must have definitely committed to paying them with fees paid as soon as practicable.

Tax on Director's fees

Assuming the Director's fees are being paid through an individual contractual arrangement, then the Director's fees are treated like salary and wages for the purposes of PAYG withholding. PAYG is required to be withheld from the gross Director's fees, reported on the IAS or BAS that is used to report the salary and wages and related PAYG W for that period and should be remitted to the ATO.

Director's fees fall within the definition of Ordinary Times Earnings and the superannuation guarantee applies.



Director's fees are required to be reported on a payment summary and are generally reported at Item 2 of an individual's tax return. If they are not reported on payment summaries, it could result in errors in the PAYG withholding annual report, and queries from the ATO regarding the payments.

While the ATO may recognise that there can be a difference in the provision of services by and payments to Directors, the PAYG W and super contributions are still subject to reporting and payment by the standard deadlines that apply for all other employees.

Director's fee should also be included in any workers compensation calculation and would generally be captured for payroll tax purposes as well.

Can Director's fees be paid as super contributions?

Assuming the proper process has been followed, fees can be paid to the Director's superannuation fund as a reportable employer contribution to utilise preferential tax rates. This assumes the Director is within their contribution limits. Call Collins Hume on 02 6686 3000 to find out more.

Working hard to turn dreams into reality

Dreaming of a new home, renovating an existing property or purchasing a rural retreat? David Seymour at Regional Finance Solutions will not only work hard to get you the best deal, his aim is to work for you to help 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 Finance
- Equipment Finance
- International Trade Finance
- Accountant Fee Loans

Regional Finance Solutions is a finance service designed to meet the needs of regional residents; RFS representatives own their own businesses meaning they are committed to assisting you with your needs and are proud to be local. They live in our 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.

[Email](#) or phone David on 0418 785 747. Regional Finance Solutions Pty Ltd ABN 71163893945 Australian Credit License 484980.



OSR small biz grant

Key priority of State Govt to encourage NSW small businesses that don't pay payroll tax to hire new employees and expand their business.

To be eligible your business must:

1. Have an active ABN
2. Not have a payroll tax liability, during the 12-month employment period of a new person as at 30 June of the financial year

A business will receive the grant if all the following employment conditions are met:

- A person is employed in a position that is a new job.
- Employment commences on or after 1 July 2015 and before 1 July 2019.
- Employment is maintained for a period of 12 months.
- Number of full-time equivalent employees, prior to creating a new position, must increase and be maintained over a 12-month period.
- The services of the employee are performed wholly or mainly in NSW.

[Click here](#) for more information including how to apply or call us on 02 6686 3000.

Cash flow coaching launched by ATO

Over the past 12 months, the ATO has been developing and trialling their Cash flow Coaching Kit with selected accountants and small business owners across the country.

The aim of this kit is to provide the accounting profession with resources and basic ideas to help small business clients manage their cash flow, which the ATO has identified as a key area of concern.

At Collins Hume, we don't believe business owners should have to wait for help or guidance when it comes to managing your cash! We can already provide you with accurate, timely and informative [cash flow forecasting strategies](#) allowing you to:

- Realise and understand when cash is available
- Plan and prepare for expansion, stock control and taxes
- Analyse and anticipate key expenses

Armed with this information, we work with you to develop action strategies to improve your bottom line, today.

The ATO is working with professional accounting associations to deliver their Cash flow Coaching Kit to the market over the next 12 months to improve the cash position of small businesses and help improve relationships between small businesses and their advisers. We envisage the kit enabling effective conversations beyond basic tax and regulation.

If you would like to access focused advice and strategies for your own cash flow position today, contact us on 02 6686 3000. [Click here](#) to read more about ATO's cash flow management program.

Welcome to new Senior Accountant Kelly Crethar CPA, B Bus



Coming onboard in July, business services tax and accounting specialist, Kelly, is also a Xero Certified Partner working on [Chris Atkinson's](#) and Jamie Doyle's clients. Kelly is a Ballina local who was in the same year as Jamie at Ballina High School (small world) and who originally hails from Alstonville. Kelly is a Certified Practising Accountant who attained her Bachelor of Business (Accounting & Business Law) from USQ. You can get in touch with Kelly in our Ballina office each Monday to Thursday.



Shout out

ADDITIONAL WELCOMES to new team members Catherine, Lyndall, Naomi and Shannon – we look forward to getting to know you all a little bit better in coming issues of The Strategist.



Happy birthday this month to Partner [Jamie Doyle](#) and Accountant Leanne Prior – wishing you both many happy returns!

SCU Alumni of the Year Awards

[Peter Fowler](#) is shortlisted as a Finalist for Southern Cross University's 2017 Alumni of the Year. Winners will be announced at the Lismore awards ceremony on 22 Sept. Good luck Peter!



Crowd-Sourced Funding's opportunities for small and medium business

29 September 2017 will go down in history as a great day for small and medium enterprises in Australia! We explain why.

This is when [Crowd-Sourced Funding Equity Raising](#) is available for companies with turnover under \$25 million and assets under \$25 million.

Well-run companies will be able to raise up to \$5 million per annum from investors, if they wish.

What will companies need to do to be able to avail themselves of this opportunity?

- A good business – a business that has a vision and has identified clear [strategies](#) for its future.
- Directors who are willing to work with others.
- Shareholders who accept that owning 100% of the shares is not the most important thing for many businesses – the introduction of external cash can be very important to assist the company to achieve its strategies.
- TV programs like 'Shark Tank' have alerted many smaller company directors to the opportunities that are available, if the company places itself into an investment ready phase so that the company is attractive to potential investors.

Who are the prospects for Crowd-Sourced Funding?

- Companies with visions to expand the business.
- Companies wanting to 'commercialise' a new product, process or service and for various reasons they might not be eligible or wish to participate as an [Early Stage Innovation Company](#).
- Willingness to accept external investors into their company.
- Companies with loans, especially if the loans are not secured by first mortgages on the company's own real estate – these loans could be from family and friends and the directors might be quite happy to raise capital to pay out those loans, thus saving the company interest payments and potential questions about "when will the money be repaid".



- Companies with credit card debts wanting to repay the debt and save the interest.

If you're interested in exploring the potential of your company or business to raise capital as a crowd-sourced funding entity, [contact Collins Hume](#) on 02 6686 3000.

Tips for business success

- To be successful you must have an aspiration – having people to look up to so you can see what's possible. Find a [mentor](#) or join a group of other people running successful businesses.
- Planning is crucial; in fact it could be described as being 'everything'. The reason so many people get into trouble in business is that they haven't invested enough time planning their business operations.
- [Business plans](#) for business people are like maps for tourists. If you don't know where you're planning to go, how will you know when you get there? A plan helps you survive in business. Businesses do not just 'grow'; you need a template/plan on how to grow your business.