

Push the clock forward to get the best results from business planning today

For many business owners, not getting the most out of what you're doing is frustrating. In this case study we illustrate how some targeted planning got one of our primary producers back on course and set up for the future.

Turning 55 can often put things into perspective sooner rather than later. For one of our macadamia plantation clients, the business was finally turning a positive cash flow after huge investment in technology paid off, but with cash in the bank came new 'problems' and tax challenges.

This is a common occurrence for many business owners - business can amble along for many years providing an income yet without tapping into the full potential that lies within. Being at the helm of a mature business suddenly puts the timeline into focus. So what do you do?

We started by taking a serious look at superannuation. Combined with taking a long, hard look at our client's tax position, we decided the best course of action would be to ramp up cash injections into super and, being conservative, tailored in some ATO-approved farm management deposits offering a full tax deduction to minimise any concern about the future of the plantation's ability to produce yet allowing security. The beauty of using farm management deposits in this situation is:

- Availability from the most financial institutions
- Term deposit in style
- Tax deductibility
- Income injection upon maturity is a good back-up if the year ahead looks bleak

Farm management deposits give the farmer the opportunity to manage cash flow - the only condition is that your income must only be derived from primary production activity.

Thanks to some timely input, these days, our client is looking to put the farm on the market and retire sooner.

Becoming adjusted to the idea of forward planning sooner rather than later is key and gives you and us the opportunity to determine the best thing to do with your cash. Proper cash management strategy sets you up for maximum wealth, minimal tax and the best retirement outcome overall.



We're not the only ones thinking about the importance of business planning for primary producers

The Department of Agriculture, Fisheries and Forestry reiterates the importance for primary producers to organise their businesses focusing on:

- **economic** aspects of a strategic plan such as risk management and financial planning
- **social** aspects such as personal and business goal setting, and
- **environmental** aspects such as managing the impact of a changing climate on production

Whilst this case study will resonate with primary producers, all business owners should know that Collins Hume has a range of business planning tactics and resources at our disposal which we can apply to your particular circumstances. Being a local business ourselves we're in touch with local issues and have a 30-year track record of advising and helping businesses in the region.

Collins Hume works with owners to unleash hidden business potential. Call us on 02 6686 3000 for an obligation-free business planning appraisal.