



PROACTIVE

ACCOUNTING SOLUTIONS

Winter 2014

A NOTE FROM ANDREW

Firstly I would like to wish all our clients a happy new financial year! The 2015 financial year is a special one for me being my 20th financial year as an accountant. It is interesting to reminisce about the changes that have occurred in that time from a business and accounting perspective.



Back in 1995 when I commenced work as a graduate accountant, very few clients had computerised records. At best we would receive a manual reconciled cashbook from clients, at worst a shoe box of receipts in varying conditions.

The introduction of GST in the year 2000 was a big change for business owners and accountants. Not only did we all have to get our heads around a new tax system, we also had to account for it. Many clients moved to computer programs to make life easier.

One of the greatest changes to how we do business over the past 20 years has been the internet. It is hard to imagine a time before emails and online banking.

In recent years, we have seen the introduction of cloud based accounting software packages (accounting software/data on the internet) offering an enormous amount of efficiency gains and access to business information faster than ever before. This also allows us, as your accountants, to work even closer with you due to our ability to access your data on a real time basis to make changes and monitor your business performance.

The accounting industry is changing from being just an ATO compliance lodgement service to one that provides real solutions for our clients to improve their business, and ultimately their personal lives. Proactive Accounting Solutions is excited and proud to be at the forefront of these changes. We are passionate about building strong relationships with our clients and making a real difference in their lives.

The team at Proactive look forward to supporting you in the 2015 financial year and wish you a prosperous and rewarding year ahead.

ATTENTION LAWTON ACCOUNTANTS CLIENTS

Most clients would be aware that in November last year Lawton Accountants joined Proactive Accounting Solutions. This has provided Lawton Accountants with additional support in servicing their clients.



For those clients of Lawton Accountants that have not been into our offices as yet, you can find us on the First Floor on the corner of Sydney and Gordon Streets, with our entrance between the cinema and the Bank of Queensland.

CRUSHING HAS COMMENCED

Local mills commenced crushing in June and after a wet start have been progressing well, though CCS levels have been relatively low. The total crush has been estimated to be 5.3M tonnes, which is up on the prior year. Proactive wishes all growers and contractors a safe crushing season for 2014.



QME

QME has grown to become the leading industrial exhibition in Central Queensland. QME was last held in 2012 and was considered by the majority of its record 600 exhibitors and over 11,000 visitors, to be the most impressive yet.

This year the biennial event will again be held at the Mackay Showgrounds on the 22-24th July. This will be a great opportunity for anyone connected to the mining industry to come together to catch up on the latest products and technologies, keep abreast of industry trends and network with industry colleagues.



Let's talk 4951 6000

Visit us 1st Floor, Cnr Sydney & Gordon Streets, Mackay

INTRODUCING DAVID LAWTON



David became a part of Proactive when Lawton Accountants joined us last November. He has over 10 years of experience having commenced work at Lawton Accountants in 2003. While working at Lawton's, he obtained his Bachelor of Accounting which he completed in 2006.

David has worked with clients in many different industries with varying structures and sizes. He enjoys assisting clients by providing solutions to give them the best asset protection and long term plan to achieve their business goals.

In his spare time, David enjoys extreme board sports including wake boarding and kite boarding and can be found most mornings at the gym.



ANDREW'S TOP BUSINESS *Tips*

1. KNOW YOUR NUMBERS

How can you effectively run your business if you don't know your numbers? To make good decisions, you need accurate, timely information on a weekly and monthly basis.

2. WORK ON THE BUSINESS

It is easy to spend all your time working in the business each day, but it is essential that you also work on the business. Having regular scheduled meetings is a good way to ensure that you stop and look at how you are going and what can be changed to achieve your goals.

3. GIVE TO GAIN

Don't be afraid to give away some of your time or product. It allows a potential customer to experience who or what you are about without the concern of cost or commitment. Giving to your existing customers is a great gesture to show that you appreciate their business.

4. HAVE CAPACITY

Without capacity in your business, it will not grow. In tough times, it is important to control your expenses, but not to the extent that you aren't in a position to take on new business or provide good service to your existing customers.

5. STASH THE CASH

Without sufficient cashflow, your business will struggle to meet its commitments. Even the most profitable businesses cannot survive without cash. To have good cashflow, you need to focus on managing the inflows and outflows on a regular basis.

6. LOVE YOUR BANK

It is imperative in business to build a strong relationship with your banker. They need to know and understand your business and its banking needs. Keeping them informed on how the business is tracking helps to identify your needs and how they can help.

7. REFERRAL REALITY

Referrals are one of the best ways to grow your business. Receiving a referral from an existing customer or associate generally has a better chance of resulting in new business and is much cheaper than other forms of advertising. Attracting referrals is as simple as networking with potential referrers and having the confidence to ask for referrals.

8. KNOW YOUR WORTH

There is an old saying that "The first sale is to yourself". Many business owners undervalue what they do or the services and products they provide. If you do not believe in what you are offering and the value it represents, then you will have a difficult time getting potential customers to do so.

9. TIMEOUT

As a business owner, you work hard in your business and quite often you are under a lot of stress to ensure that the business stays on track. It is really important that you take time out to enjoy with friends and family on a regular basis to clear your head and prevent you or your family resenting the business.

10. USE A PROACTIVE ACCOUNTANT

A proactive accountant is one that helps you in all the above areas. Just using an accountant to get your tax return lodged each year does not provide much value and will not help you to improve and grow your business. Your accountant should be more like a business partner, always there to give you support and guidance where and when needed.

— Written by Andrew Zammit

2014 Budget Update

On the 13th May 2014, the Federal Treasurer, Joe Hockey, handed down his first budget. The budget contained only a small number of tax and superannuation measures but in some cases these are quite significant. There were also many changes to the social security and health systems in an effort to reduce the deficit from \$49.9b to \$29.8b next year.

INDIVIDUAL TAX CHANGES

DEFICIT TAX

A three year temporary levy of 2% will be imposed on the taxable income of individuals in excess of \$180,000pa, from 1 July 2014 until 30 June 2017. This measure is expected to increase revenue by \$3.1b over the forward estimates period.

OFFSETS ABOLISHED

The dependent spouse and mature age worker tax offsets will be abolished for all taxpayers from 1 July 2014.

HECS & HELP DEBT THRESHOLDS LOWERED

The income threshold at which students commence repayment of their Higher Education Loan Programme (HELP) debts will be reduced to \$50,638 with effect from 1 July 2016. In addition, HELP debts will attract interest up to a maximum rate of 6% p.a.

COMPANY TAX CHANGES

REDUCTION IN COMPANY TAX RATE

The budget proposed a 1.5% reduction in the company tax rate along with a parental leave scheme of 1.5% to be levied on big companies, however these were not costed out in the budget detail.

R & D TAX INCENTIVE: RATES REDUCED

The rates of the refundable and non-refundable offsets for the Research & Development (R & D) tax incentive will be reduced by 1.5%.



SUPERANNUATION CHANGES

EXCESS NON-CONCESSIONAL SUPERANNUATION CONTRIBUTIONS

Individuals will be given the option of withdrawing superannuation contributions in excess of the non-concessional contributions cap made from 1 July 2013 and any associated earnings, with these earnings to be taxed at the individual's marginal tax rate.

SUPERANNUATION GUARANTEE

The schedule for increasing the superannuation guarantee rate to 12% will be changed. The superannuation guarantee rate will now increase to 9.5% on 1 July 2014. The rate will remain at this level until 30 June 2018. The rate will then increase by 0.5% each year until it reaches 12% in 2022/23.

PENSION AGE & FAMILY TAX BENEFIT

INCREASE IN PENSION AGE

Various reforms will be introduced to the pension system including increasing the qualifying age for the age pension until it reaches 70 years of age for those born after 1965.

FAMILY TAX BENEFIT CHANGES

Changes to the Family Tax Benefit (FTB) Part A and Part B payments will be introduced, including reducing the FTB Part B primary earner income limit to \$100,000pa and changing certain eligibility requirements.

INTRODUCING ANITA GUGLIELMINO

Anita joined the Proactive team in July last year in a bookkeeping role. She not only does a great job looking after the firm's payroll and accounts, but also for a number of our clients. She has worked previously in other administration roles and has also operated her own bookkeeping and telecommunications businesses.

Anita came to Mackay in 1993 after visiting the region on holidays and loved it so much she stayed. She has two adult children and is very excited about her first grandchild being due in October. Anita enjoys dining out with her partner Dean who is a chef and socialising with her friends and family.



STAFF NEWS

Welcome Nicole

We would like to officially welcome Nicole Reynolds to the team after joining us earlier this year. Nicole is returning to accounting after having a break to raise her 3 boys with her husband Noel. She has many years of experience in the industry and is enjoying getting back to the number crunching.



— Nicole

Majella & Rhiannon returning from Maternity Leave

We have two of our team returning from maternity leave after having their baby boys last year. Rhiannon returned to part time work in June and Majella will be returning on a part time basis in August. They are both looking forward to assisting clients in the coming financial year.



— Rhiannon



— Majella

Happy Birthday to us!

Proactive Accounting Solutions celebrated its first birthday on the 1st July and we would like to thank all of our clients for their business and friendship over the past year.

About us

The accountants at Proactive Accounting Solutions are passionate about building close relationships with our clients, working with you to achieve your business, financial and lifestyle goals.

Did you know?

The total amount of money in a standard MONOPOLY® game is \$15,140.

What is a Proactive Accountant?

- An accountant who is **passionate** about helping their clients
- An accountant that **returns your call promptly**
- An accountant that is more like a **business partner**
- An accountant who **meets with you regularly** to ensure you are on track & achieving your goals
- An accountant that **does not charge you** for a quick question or chat
- An accountant that can **change your business** & ultimately your personal life
- An accountant with an **open door policy** and a **complimentary consultation**

Let's talk

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Visit us 1st Floor, Cnr Sydney & Gordon Streets, Mackay

Linked

connect with us online

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