



PROACTIVE

ACCOUNTING SOLUTIONS

Spring 2014

A NOTE FROM ANDREW

We are now well into the 2015 financial year and so far business conditions have not changed greatly. There are pockets of positivity, but it is still tough out there.



One of the main challenges is the inconsistency of work. I have clients that are struggling for work one month, flat out the next, and then back to struggling again the following month.

This makes it very hard to manage the business, particularly cash flow and staffing. It's now more important than ever to have timely and accurate reporting in your business to make decisions in a constantly changing environment. We find that the clients we work with regularly have a much better understanding of their business which is assisting them in making the best decisions.

A strong relationship with your bank is also imperative, as without their support it is again very difficult to manage the ups and downs and to capitalise on opportunities as they present themselves. The more your banker understands your business, the better positioned they are to provide solutions to you. Timely and accurate reporting and a strong relationship between the business owners and their accountant gives their bank greater confidence when extending finance.

Our job is to support our clients in any way they need. We are only ever a phone call away and I would encourage clients to call us regularly with any concerns, ideas or guidance they need to run their businesses.

CONGRATULATIONS JARROD

We are excited to announce that Jarrod Bettini is now a director of Proactive Accounting Solutions. Jarrod and Andrew have a long history together both as colleagues and as friends. They



did their accounting degrees together, started work on the same day at the same firm, were groomsmen in each other's weddings and in recent years have worked together again.

Jarrold is a Mackay local, growing up on a farm just outside of Walkerston and now lives at Timberlands with his wife Alisa and two children Kayla and Chase. Jarrod has nearly 20 years' experience in the accounting industry working with a variety of clients in both business and in the rural industries. He is looking forward to continuing to service his existing clients along with developing relationships with new clients.

MACKAY REGION CHAMBER OF COMMERCE

The Mackay Region Chamber of Commerce represents and promotes all aspects of business in the Mackay region. They do this by communicating local business issues to government and through various media channels. They also conduct events and seminars that not only provide relevant information and tools but also a great opportunity to network with other like minded local businesses.



The Mackay Region Chamber of Commerce hold monthly Business after Hours Networking Events which I would encourage any business to attend. If interested in attending an event or becoming a member you can contact the Chamber on 1300 799 726 or visit their website.

Business Network international (BNI)



Proactive is a member of BNI which is a business network that meets at 7.00am every Tuesday morning for a breakfast meeting at Jelly Beans Café in the Dome.

BNI is a unique network where members across a variety of professions and trades pass referrals to each other to help

grow each other's businesses. In addition to referrals, the network offers an opportunity to build close relationships and gain support from other passionate business owners.

If you are interested in attending one of the meetings, please contact our office for more details.

Let's talk 4951 6000

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

SUCCESSION PLANNING FOR *farmers*

INTRODUCING MAJELLA SLEEMAN

Majella has just returned from maternity leave after the birth of her son Harry in November last year. Majella has been working with Andrew for four years and has a further six years' experience.

She completed her University of Central Queensland Accounting Degree externally while working full time and then undertook further studies to become a Chartered Accountant. She enjoys all aspects of accounting, along with training staff and building close relationships with our clients. She has a particular interest in working with cane farming clients as she grew up on a local farm. She is now working two days a week, balancing work and motherhood with the help of her husband Scott.



One of the biggest challenges facing the rural sector is succession planning, particularly with the average age of farmers increasing. According to the most recent study by the National Farmers Federation, the average age of a farmer is 52. This is 12 years above the national average for other industries.

What is succession planning? It is basically putting a plan in place to hand over the family farm to the next generation. The challenges in doing this can be both financial and personal.

From a financial perspective, the property is likely to be the parents' largest asset and they may be relying on selling it to fund their retirement. The difficulty for the next generation buying the property is the market value of the property compared to the return from working the land. This can raise funding and serviceability issues with the bank.



In many cases, it may be necessary for the parents to gift some of the property or provide extensive vendor finance to facilitate handing the property on.

The personal challenges are varied as it is not just a business transaction but a big lifestyle change for both the parents ceasing to farm and the son or daughter taking over.

Where gifting is involved, this can create disharmony with other siblings. This needs to be carefully considered and solutions found to ensure that relationships are not affected. Although there are challenges to handing on the farm to the next generation, these can be dealt with through open and honest conversations that have the best interests of all family members in mind.

Both Andrew and Jarrod have experience with guiding clients through this process, working with families, their bankers and their solicitors to achieve good outcomes for everyone involved.

If you are thinking about your succession plan we would suggest starting the process by having an initial discussion with us.

— Written by Andrew Zammit

INTRODUCING KATIE CARR

Katie has been working with us for just over two years. Most clients would have had the opportunity to chat with her at reception in that time. She is not only one of the friendly faces in the front office of Proactive, but also provides administration support and keeps our files tidy and up to date.

Katie grew up in Melbourne and has spent time in many other parts of the country including 13 years living on Hamilton Island. She has held many different roles over the years including running her own café and supermarket. She has enjoyed travelling extensively overseas and is now settled firmly in Mackay with her fiancé Rob and her pampered dog Missy.



SUPER NEWS

SUPERSTREAM

What is SuperStream?

SuperStream is a government reform aimed at improving the efficiency of the superannuation system. Under SuperStream, employers must make super contributions on behalf of their employees by submitting data and payments electronically in a consistent and simplified manner.

Who does SuperStream apply to?

SuperStream is mandatory for all employers making super contributions, APRA-regulated super funds and self-managed superannuation funds (SMSFs) receiving contributions.

Why is SuperStream being introduced?

The main purpose of SuperStream is to ensure employer contributions are paid in a consistent, timely and efficient manner to a member's account. The change also removes many of the complexities employers currently face as a result of funds being able to set up different arrangements for accepting contributions (due to the lack of common standard).

When do I have to start using SuperStream?

If you have 20 or more employees (a medium to large employer), SuperStream starts from 1 July 2014. From that date, employers will start implementing SuperStream and you have until 30 June 2015 to meet the SuperStream requirements when sending superannuation contributions on behalf of your employees.

If you have 19 or fewer employees (a small employer), SuperStream starts from 1 July 2015. You have until 30 June 2016 to meet the SuperStream requirements when sending superannuation contributions on behalf of your employees. Note that you can voluntarily adopt the SuperStream from 1 July 2014 if you are ready.

What are my options for meeting SuperStream?

Every business is different, so there's no 'one size fits all' approach to adopting SuperStream. Employers have options for meeting SuperStream – either using software that conforms to SuperStream; or using a service provider who can meet SuperStream on your behalf. We recommend that you start investigating your options now.



TAX NEWS

NEW ATO INITIATIVES FOR SMALL BUSINESSES

The Commissioner of Taxation has stated that the ATO are trying to reduce the amount of red tape for small business and that the ATO recognise that they need to provide more personalised, accessible and reliable services.

They need to think about the effects their activities have on cash flow, the everyday running of small business and work harder to ensure its information and advice is timely, streamlined, personalised, accurate and consistent.

To assist in achieving this the ATO have introduced some new initiatives including Small Business Fix-it Squads. These are groups made up of small business operators and representatives from federal, state and local government, all working together to examine problems and solutions from the perspective of small business. They are also looking at a new business-friendly approach to managing small business debt.

They have also introduced a new Small business newsroom on their website which is a move away from multiple newsletters, giving taxpayers a one-stop online shop where they get tax and superannuation news and alerts.

CPI - JUNE 2014 QUARTER

The CPI indexation factor for the June 2014 quarter was 105.9 (an increase of 0.5 from the December 2013 quarter of 105.4)

VISIT OUR WEBSITE AND KEEP UP TO DATE

Our website not only highlights our services but also contains a Seminars and Events page under the News tab which is updated each month with Seminars and Events being held by various organisations that are relevant to local businesses. The site is also updated with a monthly Blog offering discussions on the different elements of running a successful business and other related topics.

www.proactivesolutions.com.au



STAFF NEWS

Blue River Lions Golf Day

Proactive Accounting Solutions have again sponsored a hole at the Blue River Lions Golf Day. The proceeds from the day go towards The Mackay Hospital Foundation for the purchase of much needed equipment. It is always a great day and I would encourage you to join in next year.



Tara turns 21!

We celebrated Tara's 21st birthday on the 18th September, congratulating her on reaching this milestone in life. Tara had a great day, with the team decorating her chair, desk, computer and even her phone! She continued the celebrations that night with dinner at Burp with her family and friends.

Brooke Graduates

We would like to congratulate Brooke who graduated last month. Brooke attended the graduation held at Central Queensland University with her husband Damien and other family and friends. Brooke has been working at Proactive for the past 12 months while completing her degree earlier in the 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?

It's a crime to damage money and you can be fined up to \$10,000 or get 2 years in prison!

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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info@proactivesolutions.com.au

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

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connect with us online

WWW.PROACTIVESOLUTIONS.COM.AU