



PROACTIVE

ACCOUNTING SOLUTIONS

Summer 2015

A NOTE FROM ANDREW

The Mackay economy is certainly still reeling from the mining downturn but the big question is - have we seen the bottom of the cycle?



The answer depends on who you talk to and on which given day! Talking to various clients, bankers and other Mackay business owners, there seems to be some improvement in activity. This is certainly nothing to write home about but enough to give some hope.

The real estate market in Mackay is still under pressure with much lower average house values and a large number of homes for sale or rent, a very different environment to the top of the market a few years ago.

As at mid-November 2015, there were over 2,800 properties listed for sale in the Mackay Greater Region and over 1,200 rental properties available. The good news is that these numbers did not increase from the prior quarter which may be an indication that the market is levelling out.

The other notable indicator in this market is the reduction in rents being charged due to the lower level of demand. The tenancies are also for shorter rental periods as tenants move from one property to the next negotiating lower rents or moving to better properties for the same rent.

This is not in line with the national trends where the rental and property markets are either stable or increasing with some centres such as Sydney and Melbourne increasing quite dramatically.

If you have rental properties in Mackay and are experiencing difficulty in meeting your loan commitments, I would suggest making contact with your bank as they are open to assisting you where possible. If you are considering your options in regards to holding or selling your property, then it may be beneficial to come in and have chat with us so you can make an informed decision.

ATTRACTING NEW CUSTOMERS

Every business needs to attract new customers. Whether you want to grow the business or stay at the same level, you still need new customers because over time and for a variety of reasons you will have customers drop away.

So how do you get new customers? - There are many ways to attract new customers, either through traditional marketing or more direct engagement with current customers, referral sources or through networking.



KMART WISHING TREE

Proactive Accounting Solutions are proud to have supported the Kmart Wishing Tree Appeal again this year. If you wish to donate any gifts, these can be placed under the tree in our office up until the 23rd December.

Merry Christmas
from the
Team at Proactive

CHRISTMAS BREAK

We wish to advise that our office will be closed from Thursday 24th December through to Monday 4th January. We hope you all have an enjoyable and safe Christmas and New Year.

Let's talk 4951 6000

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

**GET TO KNOW
KELLIE BORG**



Kellie has been part of our accounting team for over 10 years. Kellie is currently working 2 days a week while fulfilling her most important role of being a mum for her daughter Taylor, who is about to turn four.

She loves the land, having grown up on a local cane farm. She now lives on a property near Balnagowan along with her husband Dave and Taylor.

Kellie believes in getting in and getting the job done and loves not only the processing side of accounting but also the opportunity to build relationships with clients and help them however she can.

MARKETING

Traditional Marketing

This is radio, TV, print media and web marketing. A well planned marketing strategy using these mediums can be useful in developing brand and product awareness but may produce varying results in regards to conversion to immediate new business depending on the campaign being run. It is easy to spend a lot of money on traditional marketing if done in an ad hoc manner. The benefit of traditional marketing is best capitalised when combined with direct engagement.



Direct Marketing

This engagement should start with your current customers. Are you doing the best job you can for them? Do you go out of your way to connect with them and build a relationship? Would they refer you to others and do you ask them to do so?

Every business has synergies with other businesses that have a common customer base. Look for opportunities to work together and create funnels into each other's businesses through either an informal or formal referral arrangement. Receiving and giving referrals is a very cost effective way to generate business and normally has a high rate of resulting in sales.

Another form of direct marketing is attendance at networking events. These may be industry, association or general business events. The Mackay Region Chamber of Commerce have regular events where you have the opportunity to meet other local business owners which can result in meaningful connections. There are other formal referral groups such as Business Network International (BNI) specially designed to promote business for all members of the group.

The most important thing when looking at ways to promote your business is to understand what you do and why you do it and be able to articulate this message clearly. Never be scared of receiving a "No thank you" as the next time you try, you might be surprised at the positive result achieved.

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 relevant to local businesses. The site is also updated with a monthly blog offering discussion on the different elements of running a successful business and other related topics.

www.proactivesolutions.com.au



SUGAR INDUSTRY UPDATE

Canegrowers recently had a win with the sugar industry (Real Choice in Marketing Bill) being delivered in Parliament. Although the battle is not over yet in its entirety, growers have welcomed the outcome.

On another note, the crushing season has finally come to an end. This crushing season has seen a mixed bag of results for our growers given the drier conditions and we hope the wet season brings an early Christmas present with some well needed rain for next year's crop.

2015 BUDGET UPDATE

SMALL BUSINESS TAX DISCOUNT ON THE WAY

From 1 July 2015, individual taxpayers with business income from an unincorporated business that has an aggregated annual turnover of less than \$2 million are eligible for a small business tax discount.

The discount is 5% of the income tax payable on the business income received from an unincorporated small business entity. The discount is capped at \$1,000 per individual for each income year, and delivered as a tax offset through the individual's end-of-year tax return.

ACCELERATED DEPRECIATION WRITE OFF FOR SMES



Legislative amendments to implement a 2015 Budget measure to support small businesses have made their way through Parliament.

The legislative amendments will allow a short-term accelerated depreciation write-off up to \$20,000 (up from the \$1,000 threshold) for assets acquired by small businesses.

This will apply to assets first acquired at or after 12 May 2015, and first used or installed ready for use on or before 30 June 2017. From 1 July 2017, the threshold will revert back to the \$1,000 threshold.

The ATO has confirmed that both new and old/second-hand assets remain eligible.

If the entity is registered for GST, then the GST exclusive amount is taken to be the cost of the asset. Where the entity is not registered for GST, the GST inclusive amount is taken to be the cost of the asset.

The legislative amendments also allow primary producers to claim an immediate deduction for capital expenditure on water facilities and fencing assets, and to deduct capital expenditure on fodder storage assets over three years.

SMALL BUSINESS COMPANY TAX RATE CUT

Parliament has passed legislation which will implement a 2015 Budget measure to reduce the company tax rate from 30% to 28.5% for companies that are small business entities with an aggregated turnover of less than \$2 million. For all other companies that are not small business entities, the corporate tax rate will remain at 30%. The franking credit rate for all companies will remain at 30% regardless of eligibility to the reduced tax rate.

WORK RELATED AND RENTAL PROPERTY CLAIMS ON ATO'S WATCH LIST



Work-related expense claims that are significantly higher than expected are again on the ATO watch list. In particular, the ATO will be paying particular attention to claims that have already been reimbursed by employers and expenses that are, in fact, private.

The ATO will also keep a keen eye on rental property deductions such as excessive deductions claimed for holiday homes; husbands and wives splitting rental income inappropriately for jointly owned properties; claims for repairs and maintenance shortly after the property was purchased; and interest deductions claimed for the private proportion of loans.

IMMEDIATE DEDUCTIBILITY OF CAPITAL START UP EXPENSES

From 1 July 2015, new provisions apply to allow certain small businesses, or an entity that is not in business, to immediately claim some start-up costs.

Expenses can be fully deductible in the year in which they are incurred if the expenditure relates to a small business that is proposed to be carried on and is either incurred in obtaining advice or services relating to the proposed structure or the proposed operation of the business (e.g., advice from an accountant or lawyer).

STAFF NEWS

Congratulations John & Estera!

We are pleased to announce that John Bernard and his lovely partner Estera Benjamin were married on the 21st November in a morning ceremony at John's parent's farm with the guests enjoying a relaxing brunch under the trees. The couple will be honeymooning in the New Year in Tasmania. With Estera's assistance, we surprised John with a morning tea in the office to celebrate, with a home baked wedding cake made by Andrew's wife Angela.



Happy 18th Birthday Courtney!

We celebrated Courtney's 18th birthday on the 26th October 2015, congratulating her on reaching this milestone in life. We had a lovely morning tea on the day and she continued celebrations that night with friends and family. As part of her celebration she took part in a tandem skydive at Airlie Beach - and survived!

Welcome Silvana

The Proactive Team are very pleased to welcome Silvana Eales to the firm. Silvana will be part of our administration team. Originally from Mareeba, Silvana has lived in many parts of Queensland including Port Douglas, Gold Coast and has now settled in Mackay for the last three years. She has previously worked for RPS in various locations over the past 20 years.

Silvana and her husband Andrew have two grown up children, Michael & Katelyn. She is interested in craft, gardening and fishing.



Silvana Eales

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 Zimbabwean dollar bank note has the greatest number of zeros shown (100,000,000,000,000). In 2008, a loaf of bread cost 1.6 trillion Zimbabwe dollars.

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

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