



PROACTIVE ACCOUNTING SOLUTIONS

Winter 2017 Newsletter

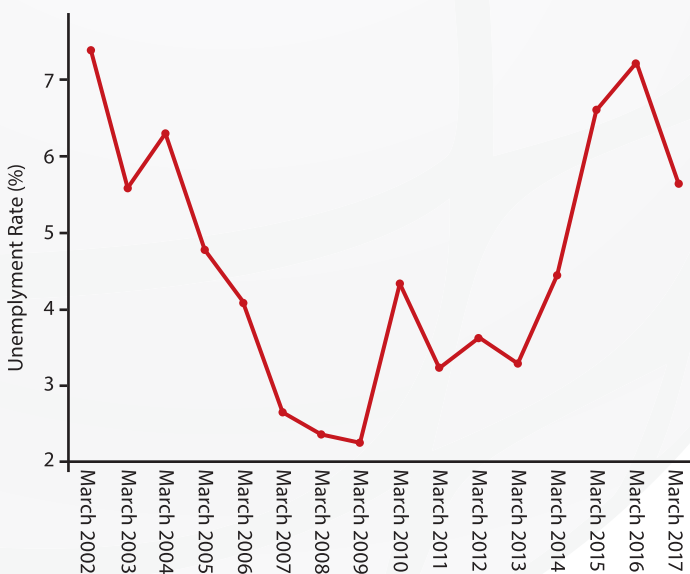
A NOTE FROM ANDREW

Well it has been an eventful few months with Cyclone Debbie causing significant disruption and then an endless stream of public holidays. But I feel that the region is starting to settle back into the swing of regular business again and that in the next 6 months we should see some positive trading conditions.



There has been a definite increase in business activity, some being cyclone related but the majority being in the mining sector. I am regularly hearing of businesses that have plenty of work ahead of them, with the main issue being the ability to find skilled labour.

The unemployment rate in Mackay in March 2017 dropped to 5.7% which is down from 7.2% twelve months ago.



Graph - Mackay unemployment rate, March 2002 - 2017 (15+)

The downturn saw a lot of families leave the region to find work in other areas and it will take some time for workers to return.

Outside of the mining industry, we are seeing significant investment in local and state government projects including the \$240 million dollar ring road project. There are numerous private enterprise projects that have also received recent approval including the Canelands expansion which will include a new six screen cinema and numerous restaurants.

I am feeling cautiously optimistic that the 2018 financial year will be a welcomed improvement on what has been a challenging few years.

PROACTIVE IS NOW A MEMBER OF THE SMSF ADVISOR NETWORK

Due to recent changes in the superannuation industry, advice about superannuation must now be provided by a representative holding an Australian Financial Services Licence.



In order to provide licensed advice to our clients, Proactive has chosen to be authorised through the SMSF Advisers Network Pty Ltd (SAN) (AFSL No. 430062). SAN supports our practice to provide advice to you regarding your superannuation and in particular, your Self-Managed Superannuation Fund.

When we provide you with any advice regarding your superannuation and your Self-Managed Superannuation Fund, we are now required to have you complete a Fact Finder Questionnaire, discuss with you your current situation, needs and goals and provide you with a Statement of Advice as to our recommended course of action

Let's talk 4951 6000

Visit us

1st Floor, Cnr Sydney & Gordon Streets, Mackay

THE POWER OF NOW (IN BUSINESS)

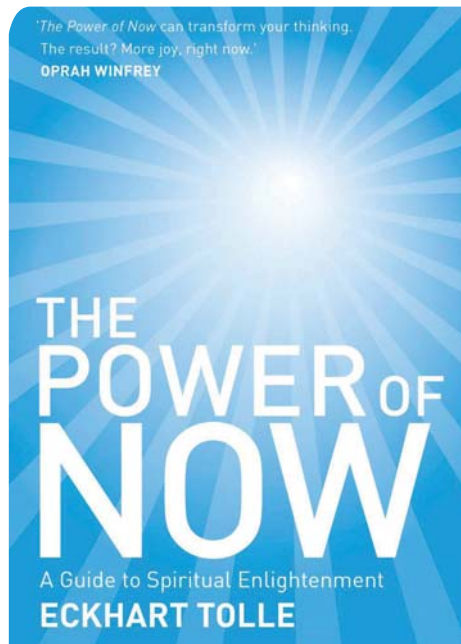
GET TO KNOW ROSE DALEY



Rose is a valued part of the Proactive team with her wealth of knowledge and experience but also her good humour and down to earth approach to life.

Rose is armed with a Master's degree in Taxation along with over 10 years' hands on experience. She has a particular passion for primary production, spending much of her life involved in various primary production industries.

When not at work, Rose and her husband Pat enjoy spending time at their property surrounded by nature and their numerous pets.



Have you heard of the book "The Power of Now" written by Eckhart Tolle?

It comes highly recommended by Oprah Winfrey and was number one on the New York Times Best Seller list. I was fortunate enough to recently attend a 2 day Eckhart Tolle workshop where he discussed the principles behind the book.

"The Power of Now" is intended to be a guide for day-to-day living, and stresses the importance of living in the present moment.

You may wonder why an accountant would be talking about a book that would be considered more spiritual than business related?

I believe that there is so much more to business than just monthly figures. It

takes a lot to be a business owner, sometimes they feel like each day is another battle. All this can be a heavy mental burden which has a direct impact on the health and happiness of the business owner and the success of their businesses.

Small business owners on average work 50 hours a week (not counting the additional time spent thinking about the business!). This thinking area is where "The Power of Now" can help. A lot of the thinking we do is based on events that have happened in the past or events that may happen in the future.

If your thoughts are focused too much on the past, then you may be feeling upset about something that has happened or disappointed in yourself for a past decision. We should always draw lessons from the past and use it as a reference point, whilst trying not to dwell on it.

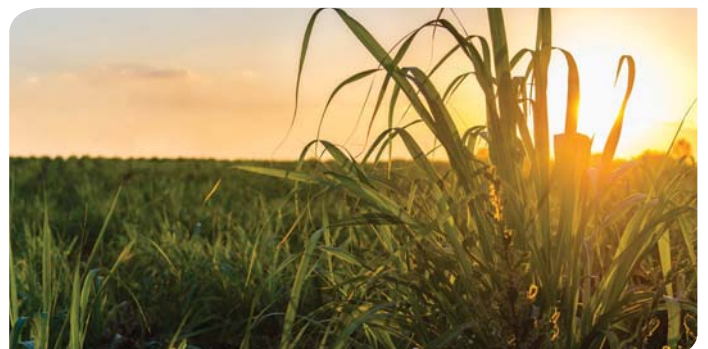
On the other hand, although it is important to plan for the future in business we should try to avoid worrying about it constantly. So much energy can be wasted worrying about what could happen. Have you ever spent time worrying about something that actually never ended up happening or when the time came it turned out much better than expected?

"The Power of Now", although written for personal wellbeing can have many applications to business life. As a small business owner, your personal and business lives often overlap and the quality of one can have a great effect on the other.

SUGAR INDUSTRY UPDATE

The crushing has now commenced with growers still uncertain as to the future of Mackay Sugar and its reliability after leaving significant standover last season.

The effects of Cyclone Debbie certainly have had a bearing on tonnes crushed this season, though we've had good rain leading up to the crush. Wilmar growers have also faced additional challenges with the agreement between the company and QSL finally being signed in May. This has left many growers in a position where they have not forward-priced their sugar and taken advantage of high prices.



BUDGET UPDATE

ACCESS TO SUPER FOR FIRST HOME DEPOSIT

Individuals will be able to make voluntary contributions into their superannuation of up to \$15,000 per year and \$30,000 in total, to be withdrawn subsequently for a first home deposit. The contributions can be made from 1 July 2017 and must be made within an individual's existing contribution caps. The withdrawals will be taxed at the individual's marginal tax rate, less a 30% tax offset.

SUPER CONTRIBUTIONS FROM DOWNSIZING

A person aged 65 or over can now make a non-concessional contribution into superannuation of up to \$300,000 from the proceeds of selling their principal residence. They must have owned their principal residence for at least 10 years. This measure will apply from 1 July 2018 and is available to both members of a couple for the same home.

TRAVEL EXPENSES RELATED TO RESIDENTIAL RENTAL PROPERTIES DISALLOWED

Deductions for travel expenses related to inspecting, maintaining or collecting rent for a residential rental property will be disallowed from 1 July 2017.

DEPRECIATION DEDUCTIONS LIMITED FOR RESIDENTIAL RENTAL PROPERTIES

Investors who purchase plant and equipment for their residential investment property after 9 May 2017 will be able to claim a deduction over the effective life of the asset. However, subsequent owners of a property will be unable to claim deductions for plant and equipment purchased by a previous owner of that property. They will instead be reflected in the cost base for capital gains tax purposes.

INSTANT ASSET WRITE-OFF EXTENDED FOR 12 MONTHS

The \$20,000 instant asset write-off for small business has been extended by 12 months to 30 June 2018 for businesses with an aggregated annual turnover of less than \$10m.

MEDICARE LEVY TO INCREASE FROM 2.0% TO 2.5%

The Medicare levy will be increased from 2.0% to 2.5% of taxable income from 1 July 2019.



SUPER CHANGES UPDATE

The government has now legislated the extensive changes to the superannuation system with most of these changes commencing from 1st July 2017.

Due to the extent and the complexity of these changes, we strongly encourage all clients to contact us before contributing or withdrawing amounts from their super funds to ensure that the rules are met.



STAFF NEWS

Courtney's Engaged!

The team at Proactive were very excited to hear that Courtney Nicholson and her partner Edward Williams are tying the knot. Edward popped the question at Christmas with an engagement ring being one of the gifts under the tree. They are planning to get married in May next year. (Photo by Charlie Kinross Photography)



The Stork Has Arrived...

We would like to congratulate Majella and her husband Scott on the safe arrival of their baby boy, Lucas James Sleeman born on the 18th April. Their son Harry who is three is very excited to have a new baby brother.



...And is On The Way Again!

No sooner has the stork made one delivery and he is on his way with another two! Kellie and her husband Dave surprised everyone in April when they announced they are expecting their 2nd child and then a couple of months later we were pleasantly surprised again to hear of Rhiannon and Ahn's wonderful news that they too were expecting a 2nd bundle of joy also.



Proactive Groupies!!

Some of the Proactive Team were lucky enough to put down the calculators and catch a selfie with Billy Slater when the Maroon's toured Mackay. The biggest star being Michelle's son Callan, front and centre, surrounded by all the ladies!



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 highest grossing film of all time is Avatar, earning nearly \$2.8 Billion at the box office in 2009. The 2nd highest is the 1997 film Titanic at \$2.2 Billion

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



connect with us online

WWW.PROACTIVESOLUTIONS.COM.AU