



PROACTIVE

ACCOUNTING SOLUTIONS

Winter 2019 Newsletter

A NOTE FROM ANDREW

It has certainly been an interesting six months in the political arena. Regardless of which side of politics you are on, the outcome of the election is a relief for the tax system.

The tax policies proposed by the Labor government were a significant change to what we have known in the past. The ceasing of franking credit refunds, taxation of trusts and removal of negative gearing amongst other tax policies was causing concern for many of our clients.

Any system evolves over time, though this level of change in the short term had the potential to destabilise the share and property markets. It would have also left business owners, investors and self-funded retirees in a much worse financial position.

We can now go forward into the 2020 financial year feeling confident that concessions and exemptions we have relied on in the past will continue into the foreseeable future.



NUDE LUNCH

We are proud to announce our continuing support for the annual Nude Lunch raising funds for Ovarian Cancer in honour of Trudy Crowley. This will be the fourth year the event has been run.

Last year nearly 800 attendees enjoyed a lovely afternoon under a huge marquee in Mulherin Park, filled with good food, drink and laughter while raising funds for a great cause.

This year the lunch will be held on Friday 6th September 2019 with tickets now on sale. Further details can be found on the Nude Lunch website.



LOCAL ECONOMY UPDATE

In a recent report by property valuers Herron Todd White, they have indicated that Mackay is in a state of recovery with signs that it is heading towards a rising market.

There have been good opportunities to buy in both the commercial and residential markets coming off a prolonged downturn that saw property values drop significantly.

The Mackay property market has continued to improve with evidence of higher sales volumes and properties being on the market for a much shorter time. Although there has been movement in the market, this has not resulted in significant increases in prices at this stage.

Construction has increased with local builders finally getting back into the swing of things after an extremely difficult period, though existing properties can still be bought well below their replacement cost.

The rental market continues to tighten and with proposed mining projects looking more likely to proceed, we may see another boom that will push both rental and property values up in the coming years.

There are also a number of large infrastructure projects either underway or proposed for the region. Stage 1 of the Mackay Ring Road is progressing to schedule. This is a two-lane rural highway which is approximately 11 kms in length between Stockroute Road and the intersection of the Bruce Highway and Bald Hill Road which will allow traffic to bypass Mackay. The Queensland Government have committed \$99.4 million to this project creating many opportunities for employment and a flow on affect for local businesses.



Let's talk 4951 6000

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



SUGAR INDUSTRY UPDATE



MACKAY SUGAR

In a company update to growers in May, Mackay Sugar advised that negotiations with German company Nordzucker were continuing though there were a number of conditions to satisfy before a shareholder vote could be held. An extraordinary general meeting was scheduled for the end of June and should have occurred by the time of reading this newsletter.

In regards to the Mackay Sugar crop estimate, it was still being finalised at the time of writing though there has been some very good growing weather in the past 6 months. The 2019 crop estimate was coming out at around 73 t/ha and may improve further depending on the weather leading up to the crush.

WILMAR

Wilmar have advised that the crushing was expected to commence mid-June at Plane Creek and Proserpine Mills. The crop estimate for Plane Creek is 1.3 million tonnes and 1.61 million tonnes for Proserpine. Wilmar advised that they have conducted extensive capital works to ensure the continued performance and reliability of the two mills.

BUSINESS MENTORING

At Proactive Accounting Solutions, we enjoy working closely with our clients to support them not only in meeting their tax and GST lodgement obligations but also in growing, improving and managing their business or farming operations.

The best way for us to do this is through regular contact either on the phone or through strategic meetings. These meetings can be held on a monthly, quarterly or half yearly basis depending on the size and needs of the business and its owners.

For a small monthly cost, these strategic meetings are a great platform to monitor and discuss the performance and health of the business, ensure that tax liabilities are being managed and provided for and to discuss ways to improve the business or lifestyle of the business owners.

The additional cost to have this service is small compared to the financial and personal benefits of knowing that everything is on track or if not, putting a plan in place to fix any issues.

If you are interested in discussing the benefits of having strategic meetings, please give us a call and you will find that we are more than just bean counters!



Charity Golf Day

Another great charity event is the BOQ Annual Golf Day. Proactive have sponsored a hole at this event for the last six years. Proceeds from the event are given to the Mackay Hospital Foundation to purchase much needed equipment and also the Mackay Community Foundation.

The event this year will be held on the 30th August 2019. If you are interested in playing you can contact Rebecca at BOQ on 4967 4200.



Tax and Superannuation Update

EXTENSION INCREASE TO THE INSTANT ASSET WRITE OFF

The popular instant asset write-off for small business has been extended and increased. The new laws increase the threshold which small business entities can access an immediate deduction for depreciating assets and certain related expenditure (instant asset write-off). The previous increase on 29th January 2019 was to \$25,000. This has now been extended from Budget Night (2nd April 2019) to be \$30,000. Assets will need to be used or installed ready for use from Budget Night until 30 June 2020 to qualify for the higher threshold.

TAX SCAMMER ALERT

The ATO has again warned taxpayers to be alert for scammers impersonating the ATO as it appears they have changed tactics in 2019.

Specifically, the ATO is seeing the emergence of a new tactic where “scammers are using an ATO number to send fraudulent SMS messages to taxpayers asking them to click on a link and hand over their personal details in order to obtain a refund”. The ATO do not SMS taxpayers and if you receive one of these it should be disregarded.



NON-COMPLIANT PAYMENTS TO WORKERS

The rules for claiming deductions for payments to workers are changing. From 1 July 2019, businesses can only claim deductions for certain payments made to workers where they've met the Pay As You Go (PAYG) withholding obligation for that payment.

ATO FOCUS ON AIRBNB RENTALS

Utilising information from online platform sharing sites matched to information from financial institutions, the ATO is targeting 190,000 individuals to make sure they have not failed to declare or under declared rental income or have overclaimed deductions. The ATO states that there is no such thing as a “rental hobby”, so even a one-off rental needs to be declared. It's not just the income the ATO are concerned about, deductions claimed are also in the spotlight and need to be considered carefully before claiming.



FROM 1 JULY 2019, SINGLE TOUCH PAYROLL WILL APPLY TO ALL EMPLOYERS

Employers with 20 or more employees have been required to use Single Touch Payroll (STP) since 1 July 2018. The new rules require all businesses with employees to use the Single Touch Payroll system from 1st July 2019. This includes the situation where payments are made to the owners of the business in the form of salary, wages or directors' fees.

For some micro employers, there will initially be ability for a registered tax or BAS agent to report quarterly, rather than each time you run your payroll.



If your business does not already use STP compliant software, you may need to upgrade your systems or implement new ones. If you haven't yet activated the Single Touch Payroll feature in your software, or haven't yet organised a solution for yourself to be ready for STP from 1 July 2019, please don't hesitate to give us a call to assist.

ATO REMINDER TO EMPLOYERS – SUPER ON LEAVE LOADING

On 12 March 2019, the ATO updated its website in relation to employers' compliance approach to annual leave loading and its superannuation guarantee obligations. While the ATO has not updated its existing Superannuation Guarantee Ruling from 2009, it has reiterated its position that, unless the annual leave loading is demonstrably referable to a notional loss of opportunity to work overtime, it will be OTE (Ordinary Time Earnings) and fall within the superannuation guarantee.

LATEST ATO BENCHMARKS RELEASED

The ATO has released updated benchmark data drawn from over 1.5 million small businesses around the country to “help small businesses across the country . . . gauge the strength of their business and keep an eye on their competition”. Updated benchmarks for more than 100 industries are now available on the ATO Website and can be a useful tool in comparing your business to others in your industry.

STAFF NEWS

HAPPY 21ST BIRTHDAY SARAH

The Proactive Team celebrated Sarah's 21st birthday milestone with a morning tea in our boardroom. Instead of a traditional birthday cake, Silvana made one of her World famous Croquembouche which was enjoyed by all.



SUSHI THE FISH

Another new member to the team is Sushi the Siamese Fighting Fish, who you may have seen at our reception counter. Sushi joined the office after Sarah did a wonderful job of convincing us of the benefits to the office of having a fish. These included brightening up the office, helping to reduce stress/anxiety and being a great conversation starter.



We had a fish naming competition within the office which resulted in more names being entered than any of the baby naming competitions we've had when staff were expecting!! Next time you're in the office say hello to Sushi!



FAREWELL SILVANA

It is with great sadness that we say farewell to Silvana as her and husband Andrew return back to the Tablelands region looking to settle in Cairns or one of the neighbouring towns.

Silvana has been an integral part of the Proactive administration team for the last three and a half years. Her energy, fun and dedication will be sorely missed throughout the office. We wish Silvana and Andrew all the best in their next adventures in life together.

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?

There are over 2 million small businesses in Australia employing nearly 5 million people!

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

4951 6000

info@proactivesolutions.com.au

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



connect with us online

WWW.PROACTIVESOLUTIONS.COM.AU