

News

March 2016

The season of change is coming

“We are embracing and adapting to the new technology. Like the change in season, it is the beginning of a new era of computerisation.”

The beginning of March holds a change of season. The milder weather and the change in colour of leaves tells us that we are approaching a new season. The “signs” are there for us to see the change.

In our own lives, many of us struggle to accept change. An attitude of common is “if it ain’t broke, don’t fix it”. Resistance pervades.

Managing change requires an enormous amount of energy. Taking a new path and doing what may seem a simple task is likely to be a real challenge until you become comfortable with a new way of doing things. The past is not wrong, it is simply over.

Consider the challenges faced as a teenager when you first started driving a car. You had to keep your eyes on the road, manage the accelerator, brake, clutch, check your rear vision and side mirrors, while coordinating the indicators, windscreen wipers and much more.

This all sounds very daunting - and it was initially. Driving a car and managing these parts is now second nature for most of us, now we just about do it without thinking!

Like learning to drive a car, updating skills and knowledge is such an important thing to do, to remain profitable and competitive in any business.

All too frequently, Charles Darwin is misquoted when people say, “Life is, “survival of the fittest”. In fact, “it is not the strongest of the species that survives, nor the most intelligent. It is the one that is most adaptable to change”, said Darwin.

Not only in the way business is conducted, but also our daily lives.

Change is constant.

Big ideas can be world changing. The internal combustion engine, nuclear fission, plastics, personal computers, the internet and mobile phones. Such a list seems to be endless.

Many of these changes are driven by technology. Using mobile phones rather than a computer to access emails, the internet, the cloud and apps, to help us be more responsive and efficient, has become the norm. We now live in a totally different world than earlier generations.

Over the last few months, computer system changes have been occurring at RJC Evans & Co. To reduce disruption to a minimum, the change has been implemented in increments. Unfortunately, this has required a couple of days where the office has been closed. We have endeavoured to keep this type of disruption to a minimum. We apologise for any inconvenience which may have been caused. The new system will result in increased storage capacity of data and quicker access to information. It is all part of continuing to embrace computer technology change in order to provide an efficient service to you, our clients.

After all, no one wants to become a dinosaur in their own lifetime.

Andrew Evans

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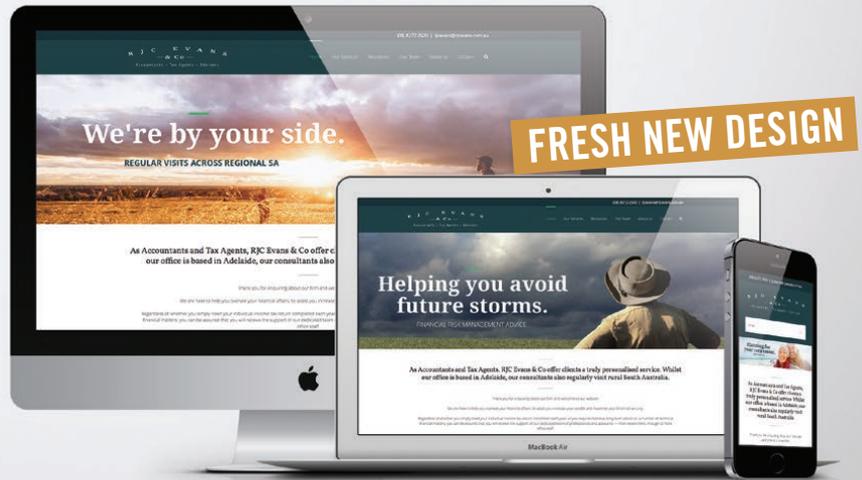


Technology

rjcevans.com.au Updated

Towards the end of 2015 we updated our website to be responsive and viewable on mobile phones, tablets and desktops. With a fresh new look you can now find out more about our services, view different resources, see the team and view all of our Newsletters, from a variety of devices.

Access has never been so easy.



GPS Tracking

Some pastoral properties, where services are available, are using a GPS tracking app to help keep track of workers' movements and make mustering easier.



Using a smart-phone app and Next Gen phone coverage, an app such as Real Time GPS Tracker, downloaded onto a smart-phone, helps with mustering.

The app tracks and displays each musterer, showing the direction they are moving in and providing information so that no area is missed. With a click of a button, they are able to see where each member of the mustering team is located, with accuracy of half a metre.

The app is also a good safety tool in that it can be activated by remote command to locate someone if they have not checked in or returned home.

With the use of this type of technology, it would appear that the days of missing livestock may be gone.

Receipt Apps - Review

The Australian Taxation Office permits businesses to store documents such as receipts electronically, as long as the documents are legible, in English, and can be produced, if required, for an audit.

This can be a big time-saver and space-saver. There are a number of handy mobile phone apps that make it easy to capture and collate receipts. The following are a few examples of what are currently available:



Evernote (free; iOS and Android)

Evernote is a general note-capturing app, which can easily be used to capture, store and sort receipts. Photos of receipts can be grouped, plus Evernote data syncs across devices. Photos, notes and PDFs are all searchable.



Expensify (free; iOS and Android)

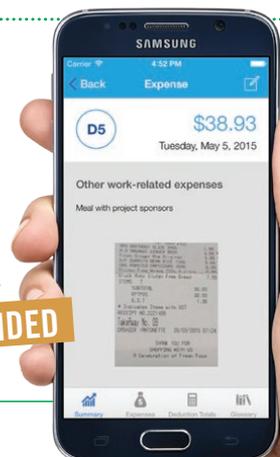
Expensify allows you to capture receipts and track work time or mileage. Apart from photographing and storing receipts, the app reads receipt data and exports the details for you. Plus, you can import bank card transactions if you've lost a receipt or two. The apps also allows you to import/export with formats and other apps, including Excel, Evernote, Dropbox, Oracle, Salesforce, FinancialForce, Xero, Quickbooks, SAP and NetSuite, among others.



ATO Expenses (free; iOS only)

This app allows you to capture receipts as photos, with a description of the expense. Receipts can be grouped according to ATO classification and by tax year. You can export saved data in CSV format and export receipt images in Zip format.

RECOMMENDED



Business

\$20,000 Per Asset?

Small Businesses are able to claim an immediate deduction for assets they start to use – or have installed ready for use – provided each depreciable asset costs less than \$20,000. To be categorised as a Small Business, turnover must be less than \$2 million.

The threshold is applied on an asset-by-asset basis. Even where the assets purchased, are identical or form part of a set, each is entitled to its own \$20,000 threshold. This is in contrast to non-business taxpayers (such as rental property owners). You should ensure the invoices separately itemise each asset that you purchase, or at least the quantity of assets, when they are identical.

More on the \$20,000 Immediate Write-Off

What impact do trade-ins have?

As the \$20,000 is applied on the cost of the asset, the trade-in value of an item is irrelevant. A trade-in simply reduces the net amount to be paid for the asset, not the cost of the asset. For example, if you purchase a \$30,000 business vehicle, which after a trade-in of \$20,000 only requires a further \$10,000 payment, the new vehicle is not eligible for the \$20,000 write-off as the cost is \$30,000 – even though the net amount to be paid for the goods is less than the \$20,000 threshold.

Are financed assets eligible?

Yes – depending on the type of finance. Assets that are the subject of either a commercial loan, chattel mortgage or hire purchase would all qualify. Assets that are the subject of a lease do not qualify for the write-off due to the fact that the ownership of the asset, under a lease, remains with the finance company.

GOOD NEWS STORY

Small Business CGT Restructure Rollover Relief Extended

In November, the Government released for comment, Exposure Draft Legislation to implement its May 2015 Budget announcement which will allow small businesses a change in operating structure (for example, from a company to a trust) without incurring a CGT liability.

The November announcement is good news for business owners as the original Budget announcement referred only to CGT Restructure Relief. The Exposure Draft actually extends the relief to any income tax that may be otherwise payable on the transfer of trading stock, revenue assets and depreciating assets (not just CGT assets).

This means that once this Legislation has passed through Parliament, no income or capital gains tax will apply to small business restructures that take place from 1 July 2016.



Reduction in Company Tax Rate



From 1 July 2015, a new two-tier company tax system applies to all companies. This system sees the whole of the company's taxable income subject to the following rates:

<h1>28.5%</h1>	<p>IF THE COMPANY'S AGGREGATED TURNOVER IS BELOW A</p>	<h1>30%</h1>	<p>IF THE COMPANY'S AGGREGATED TURNOVER IS EQUAL TO OR ABOVE A</p>
<h1>\$2 million</h1>	<p>THRESHOLD (IE A SMALL BUSINESS ENTITY)</p>	<h1>\$2 million</h1>	<p>THRESHOLD</p>

Companies do not need to do anything now. If the company has been identified as a small business by the Australian taxation Office, the new rate will automatically be applied to their PAYG Instalment Rate or on their next Activity Statement.

Superannuation

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SuperStream Cut-Out

The SuperStream compliance deadline of 30th June 2016 is fast-approaching for employers with less than 20 employees.

While most employers will be required to comply with this new regime, the ATO is reminding employers of an important cut-out that may apply to family businesses.

If you have a family SMSF, and all members are either owners or employees of the family business, and none of the SMSF members receive contributions from other employers, then you will not be required to comply with SuperStream. This means you can continue to pay contributions into SMSF in the same manner that you always have.

This cut-out may apply to your business, and thus relieve you of the burden of complying with this new regime.

Contact our office should you require any further clarification.



Are you still paying your Employee Superannuation by cheque? **EFFECTIVE FROM 1 JULY 2016**

As part of the SuperStream initiative, from 1 July 2016 all employee superannuation contributions must be paid electronically. The only exception is contributions made to related party SMSFs.

To help with compliance, the Australian Taxation Office has established the Small Business Superannuation Clearing House. This is a free service.

Features of the Small Business Superannuation Clearing House include:

- Only one quarterly superannuation payment is required. The Clearing House will then distribute the contributions to the various funds on your behalf.
- Once set up, simply log on each quarter and enter the contribution details for each employee, then make the single payment via BPay or EFT.
- Minimises time and paperwork involved with paying employee contributions to various funds.

- Payment date is recorded as the date payment is received by the Small Business Clearing House, not the date it is received by the super fund (unlike other clearing houses).

You can use the Clearing House if your business has:

- 19 or less employees, or
- An aggregated turnover below \$2million

To register for this service, go to www.sbsch.gov.au.

Alternatively, you may wish to utilise a clearing house function provided by your accounting software provider (ie. MYOB, Reckon, Xero etc.) or retail super fund.

Call our office should you require assistance in complying with your SuperStream obligations.



IN BRIEF

Can you believe?

An 1876, Internal Western Union Memo said that, "this telephone has too many shortcomings to be seriously considered as a means of communication. The device is inherently of no value to us."

What are the most important lessons learned from Starting a Business?

- Try new ideas and learn from failure
- Surround yourself with talented people
- Execute tried and tested ideas quickly
- Be personal with your customers
- There's not enough time in the day

The Captured World

80 billion The number of photos taken a year by film cameras at the peak of the film-camera industry in 1999, according to Kodak.

2 trillion+ The number of photos shared yearly in 2015 on services such as Facebook and Wechat.

5-25 trillion The range of possibilities for total of all photos taken in 2015.

Source: Benedict Evans, partner at US venture capital group, Andreessen Horowitz. These are necessarily approximate. Nevertheless, Evans says the estimates "suggest that more photos will be taken this year than were taken in the entire history of the analogue camera business".