



**SOUTHERN  
BUSINESS  
SOLUTIONS**

Accountants and Tax Agents

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September 2016

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## New SBS branding

You may notice we have new branding adding a bit of colour to our historic black and white. Government changes in legislation, budget proposals, policy, election promises constantly keep us on our toes. Much of what we do is not so black and white anymore! You will no doubt notice our updated signage, stationery, new website and new email addresses in the coming months.

## Financial Planning advice

As part of the Future of Financial Advice reforms that commenced in July 2013, the Government announced that an exemption permitting accountants to provide limited financial advice without holding an Australian Financial Services licence would cease on 30<sup>th</sup> June 2016. To maintain the ability to supply financial advice, Jason Ellis has qualified as a financial planner and has established **Southern Finance Solutions**: authorised representatives of Politis Investment Strategies. We have had a considerable number of requests in the past for access to good financial planning services and we are pleased to offer that to you. This is of great advantage so you can access not only financial planning services but also retirement planning, maximising income streams/Government pensions and reviewing the need for life/TPD/trauma/income protection insurance.

All accounting services will continue to be provided to you by Southern Business Solutions, as they have been for many years.

If you require any financial planning assistance, please contact Southern Finance Solutions on Ph: 8186 8484 to make an appointment and have a chat.

## Business Management Software

If you are using a desktop version of Business Management Software, such as MYOB, Reckon Accounts and Cash Flow Manager, you may not be aware that older versions of the programs are no longer supported by the Software Developers. This means that if the software fails to operate correctly

## Winner of recent survey



Congratulations to Con and Kym of Schofield Engineering, the winners of a night for two at the lovely Mantra Hotel in Hindmarsh Square. We have really appreciated all of your support with the recent survey and it's great to receive your positive feedback. The survey also made us aware of some minor changes we can make to further enhance our service to you. We also appreciate your feedback to give us an indication of the types of services and seminar topics we can provide you in the future.

for some reason, the Software Developers will not repair it.

We recommend you check with your Software Developer what versions of their desktop programs they are continuing to support and if your version is no longer supported, upgrade as soon as possible, to either the latest desktop version or to one of the online versions available. Also, remember to backup your program data on a very regular basis!

## It's Tax Time 2016! What you need to know about the key changes

### Key changes

There are a number of key changes and new measures to be aware of when completing your return this Tax Time, including the tax concessions for small business and increasing access to company losses. For more information, there are links below to topics that may be relevant to your business:

- [Instant asset write-off](#) – qualifying small businesses can still claim an immediate deduction for business assets purchased costing less than \$20,000 through to 30 June 2017.
- [Accelerated depreciation for primary producers](#) – primary producers are reminded about the new rules from the 2015-16 Budget for claiming deductions for fencing and water facilities.
- [Company tax cuts for small business](#) – the company tax rate was reduced to 28.5% from 1 July 2015 for small businesses with a turnover of less than \$2 million and is proposed to be reduced to 27.5% from 1 July 2016 for businesses with an aggregated turnover of less than \$10 million, though legislation has not yet been passed to bring in this change.
- [Immediate deductions for start-up costs](#) – small businesses are reminded that they can continue to deduct a range of start-up expenses (which began on 1 July 2015).
- [Small business income tax offset](#) – unincorporated small businesses can claim a tax offset of 5% of income tax payable up to \$1,000. It is proposed the percentage be increased over the next 10 years from 5% to 16% (with the \$1,000 cap per individual being retained), though legislation has not yet been passed to bring in this change.

## Useful information for small business

### ATO benchmarks for small business

The ATO recently announced the latest benchmarks for small business. Small business benchmarks are a guide to help you compare your business' performance against similar businesses in the same industry.

You can find your business' benchmark by:

- Business type – [Benchmarks A–Z](#);
- Business [industry categories](#) based on the ATO's [Business industry codes](#); or
- [Australian and New Zealand Standard Industrial Classification \(ANZSIC codes\)](#).

### Phoenix Taskforce cracking down on dodgy business behaviour

Fraudulent 'phoenix' activity occurs where a company deliberately liquidates to avoid paying creditors, taxes and employee entitlements. Currently, this is an area of focus for the ATO.

Six search warrants were executed on 29 July 2016 as part of a cross-agency investigation into alleged illegal 'phoenix' activity on the Gold Coast. The operation stems from the work of the members of the multi-agency Phoenix Taskforce who are collaborating to help stamp out illegal phoenix activity.

The search warrants, which were led by the ATO with Australian Federal Police assistance, were part of a criminal investigation into unpaid superannuation, employee withholding, GST and income tax.

### SuperStream – new deadline for small businesses

Previous editions of *TaxWise* have included information about the application of SuperStream and which businesses should be using it and when. If you make super contributions for employees, you need to get ready for SuperStream if you are not using it already.

Businesses with 20 or more employees should already be using SuperStream. Businesses with 19 or fewer employees had until the end of June 2016 to get ready for SuperStream. However, the ATO is extending the deadline for small businesses until 28 October 2016 to get ready for SuperStream. This means the ATO will not be taking compliance action against small businesses that missed the 30 June deadline.

## SMSFs (Self-Managed Super Funds)

*SMSF trustees: early engagement and voluntary disclosure*

The ATO has provided case studies for SMSF trustees in deciding whether they are eligible to use the early engagement and voluntary disclosure service. To read about some SMSF case studies, click on the individual headings below:

- [Early engagement and voluntary disclosure](#)
- [Establishing whether gainful employment has ceased](#)
- [Paying a lump sum benefit](#)
- [Starting an income stream at 60](#)
- [Life insurance and buy-sell agreements](#)
- [Death benefit lump sum payments](#)
- [Disqualified trustees](#)
- [Breaching SMSF residency rules](#)
- [Improvements to LRBA assets](#)

The ATO has introduced a new service for SMSFs to make voluntary disclosures. You can use the service to engage early with the ATO about unrectified contraventions. To use the service, complete the 'SMSF regulatory contravention disclosure form'. For more information on the SMSF early engagement and voluntary disclosure service, see the [ATO website](#).

*Free SMSF education courses*

The ATO has released a number of [free approved online courses](#) available to trustees for the purpose of complying with an education direction. If you are an SMSF trustee, you can access them to improve your understanding of your SMSF trustee obligations, even if the ATO has not directed you to undertake one.

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