

Business Plus+



INDEX

Happy New Financial Year.....	1
How Well Do You Know Your Business?.....	1
Customers.....	1
KPI (Key Performance Indicators).....	1
Team Members.....	1
Marketing.....	2
Cashflow.....	2
Tax Office Helps Small Businesses.....	2
Changes To Payroll Reporting.....	2
Investment Allowance Continues.....	3
Employees' Tax File Numbers.....	3
What's It Mean?.....	Err
or! Bookmark not defined.	

Issue Number 40

Happy New Financial Year

How Well Do You Know Your Business?

The start of a new financial year is an appropriate time to take stock of the position your business is in at present. This month you could ask yourself "How well do I know my business?" To start this process, why not ask your employees what business you're in. Then compare their answers to yours. As part of the review of "How well do you know your business?" we have prepared a check list which we are happy to send you. Some of the questions are:

Customers

- Who are your customers?
- How well do you know their preferences?
- Do you know your 'A' grade customers?
- Do you have special policies for your 'A' grade customers?
- What are your policies to convert 'B' grade customers to 'A' grade customers?
- Does your business exceed your customers' expectations?
- If you believe your business exceeds your customers' expectations, how do you know that?
- Do your clients refer business to you?

KPI (Key Performance Indicators)

- Have you identified key performance indicators for your business?
- Are they appropriate?
- Do you share the key performance indicator information with your team?
- Every business will have different KPIs. Popular KPIs are:
 - Debtors' Days Outstanding;
 - Stockturn;
 - Work in Progress;
 - Gross Profit Percentage by individual products or departments;
 - Sales/fees per team member.



Team Members

- Have you identified team members' strengths and weaknesses?
- Have you identified special training or development individual team members may need?
- Are you conducting staff training and development activities for your team members?

(Continued over)

How Well Do You Know Your Business? (Continued)

Marketing

- Is your website user-friendly?
- Have you asked customers/clients whether they get the information they are looking for from your website?
- Do your team members know what your customers/clients think about your website?
- Are your team members using the website to fully supply information to customers/clients?
- Have you got a growth strategy for the business?

Cashflow

- Have you analysed your cashflow position?
- Are improvements needed to cashflow?
- Are credit terms clearly explained in writing to customers/clients?
- Are tax invoices accurately prepared and sent promptly?
- Are statements prepared and mailed?
- Is follow-up action started as soon as the debtor exceeds your stated terms of trade?



Please contact us if you would like assistance in any of these areas.

Tax Office Helps Small Businesses



The Australian Taxation Office has announced that they will offer a 12-month interest holiday on \$6.5b in tax debt owed by SMEs and defer all tax payments by some SMEs. The tax breaks will be available to small businesses with annual sales of less than \$2m. Eligible SMEs will be able to enter into interest-free payment arrangements with the Australian Taxation Office for the next 12 months. SMEs with turnovers under \$2m, who have cashflow problems, will be able to defer their July quarterly tax payments for two months.

These offerings from the Australian Taxation Office confirm that there has been a significant slowdown in cashflow amongst small/medium enterprises as a consequence of the difficult times being experienced by many business operators.

If you would like to avail yourself of the offer from the Australian Taxation Office, please contact us so that we can complete the necessary application for you.

Changes To Payroll Reporting

Recent changes in payroll reporting by Australian Government legislation has meant that salary sacrifice decisions now have to be recorded in more detail by employers and employers need to supply information on the salary sacrifice arrangements to the Australian Taxation Office. The reason for these changes is that employees have been able to notionally reduce their income due to salary sacrifice arrangements. This has made the taxpayer eligible for some other government programs, which they may not have been eligible for, other than for the benefit from the salary sacrifice arrangement. The most significant salary sacrifice item is superannuation contributions.

The concept of salary sacrifice is still legitimate and acceptable, however the flow on effect that, in the past, has enabled taxpayers to gain other government benefits, has been changed to ensure government monies are allocated where the government interprets the greatest need. The government's view is that, if a taxpayer can afford to sacrifice a significant amount of his or her income into superannuation, then perhaps that taxpayer may not be eligible for other government benefits. For this reason all payroll reporting will need to include new features effective from 1st July 2009. If you are generating your payroll on your computer then your software provider will have to develop upgrades to ensure that you accurately record additional information from 1st July 2009.

If you have any questions regarding the changes in payroll reporting, do not hesitate to contact us.

Investment Allowance Continues

The Investment Allowance continues, but there are changes for businesses with turnover over \$2m.

Small Businesses – turnover under \$2m:

The Investment Allowance for small businesses with turnovers under \$2m is 50% for eligible assets ordered before 31st December 2009 and installed before 31st December 2010 summarised as follows:

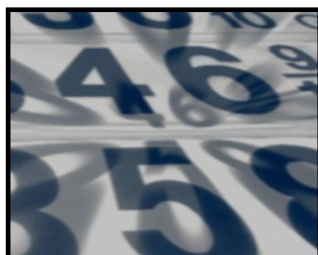
Ordered:	Installed by:	Investment Allowance %	Tax Year to claim:-
13/12/2008 to 31/12/2009	30/06/2010	50%	30/06/2010
13/12/2008 to 31/12/2009	31/12/2010	50%	30/06/2011

Other Businesses – turnover over \$2m:

If the eligible asset is ordered prior to 30th June 2009 and installed before 30th June 2010 the Investment Allowance of 30% for expenditure on eligible assets applies. For orders placed between 1st July 2009 and 31st December 2009 and installed before 31st December 2010 the Investment Allowance of 10% of eligible expenditure applies.

Ordered:	Installed by:	Investment Allowance %	Tax Year to claim:-
13/12/2008 to 30/06/2009	30/06/2010	30%	30/06/2010
13/12/2008 to 30/06/2009	1/07/2010 to 31/12/2010	10%	30/06/2011
1/07/2009 to 31/12/2009	30/06/2010	10%	30/06/2010
1/07/2009 to 31/12/2009	31/12/2010	10%	30/06/2011

Employees' Tax File Numbers



A reminder that employers have a responsibility of submitting employees' tax file numbers to the employees' nominated superannuation fund. If the tax file number is not notified to the superannuation fund, the Australian Taxation Office will impose tax at 46.5% on the superannuation contribution, instead of the standard 15%. Also, employees will miss out on the opportunity of claiming the entitlement from the Federal Government's contribution scheme if the employee has made a voluntary contribution to their superannuation fund.

An Important Message

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.

