The BUSINESS ACCELERATOR MAGAZINE

BHT PARTNERS
FORWARD THINKING ACCOUNTANTS

June 2021

The BUSINESS ACCELERATOR MAGAZINE

IT'S TIME TO WORK ON THE BUSINESS, NOT JUST IN THE BUSINESS

Most business owners are familiar with Michael Gerber's 1986 book, The E-Myth (Entrepreneurial Myth) Revisited. Gerber suggests that people think businesses are started by real entrepreneurs, however, in reality, the majority of businesses are started by 'technicians'.

A tradesman might be skilled at building or re-wiring a house, however, they might lack the essential marketing, bookkeeping or financial management skills to grow a successful business. An exceptionally talented motor mechanic might know very little about people management, social media, lead generation or how to convert those leads into customers. One of the key messages for entrepreneurs in the book is, business owners need to work ON their business, not just IN the business.

The challenge for every business owner is to create a business that works independently of them. In other words, a business that doesn't rely on their technical skills to produce the necessary outcomes and financial results. A lot of small business owners genuinely believe that nobody else can perform certain technical tasks better than they can and while there may be an element of truth in that belief, there are lots of skilled technicians in the marketplace. Of course, the vast majority of these technicians are not suited to running their own business because they lack the necessary marketing, sales, HR, social media or bookkeeping skills.

As an entrepreneur you need to be flexible and multi-task which means you may have to fill the roles of receptionist, recruiter, cleaner and bookkeeper. The workload can be overwhelming but working longer hours is generally not productive, sustainable or healthy. Working smarter not harder is the answer and that includes not wasting time on low level tasks that could be delegated to team members or outsourced.

The fact is, most businesses stay small for a reason but working ON the business can have a profound impact on your growth and profitability. The franchise model is a great example because you can open 10 branches of your business when you obviously can't be in 10 places at once. By systemising all the operating procedures and documenting them for others to follow, you can create a business model that works without your technical input. Trained staff provide leverage to help grow the business, the profits and the business value.

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SYSTEMS & PROCEDURES

Systemisation involves identifying every repeatable process or task performed in the business and documenting how to perform them. In addition, systemisation also includes listing who is responsible for each step in the process, what tools or resources are to be used and when these tasks should be performed.

To bring this business model to life you need to remove yourself from the day-to-day operational tasks and focus on developing systems. By documenting all the procedures for your team to follow ensures that the business continues to produce the same quality products and awesome customer service. The objective is to have the business run on autopilot so you are free to work on developing and growing the business. The true entrepreneur is focused on strategic planning, marketing plus research and development so you continue to innovate and implement the latest technology to create more efficient processes. In turn, this will help you motivate and retain the right people to implement your systems.

It sounds simple in theory, however, creating a business 'machine' that works like clockwork to produce consistent returns without your daily involvement takes a lot of planning and hard work. The reward is the freedom to work the hours you want and still generate an income to support your lifestyle. Imagine having an automated business engine that generates leads, converts those leads into new customers, tracks the important key performance indicators (KPI's) and produces financial reports without your hands on involvement. The challenge is to develop a business where the results are systems-driven, not people-driven.

Only a small percentage of entrepreneurs succeed in removing themselves from the operational side of their business. The majority are overwhelmed by the 'job' they have created and unfortunately, in many cases, the financial rewards don't justify the long hours, pressure and stress. Put simply, you could already be working incredibly long hours so it might not be possible to work any harder. If that is the case, it's time to work smarter not harder because in business, the definition of insanity is doing things the same way and expecting a different result.

How is it that some business owners seem to be working less hours and lack the marketing skills of their competitors, yet they are still able to scale and grow their business? You will find these entrepreneurs have simplified, systemised and automated large parts of their business 'machine'. The business doesn't rely on them to crank up the engine every day which reduces the risk for potential buyers because the business is not totally reliant on the owner. Too often a business run by a technician grinds to a halt when they aren't 'on the tools' or are sick. They find it difficult to take time off and rarely have a decent holiday. They build strong relationships with their key customers which might prove difficult to transition to the new owner. All these

Autopilot Business Systems

characteristics can devalue the business and potential buyers don't want to buy a 'job' where the revenue is capped based on the hours the solopreneur works.

Having systems in place means you can be more hands-off so you can focus on working on the business. You can delegate or outsource the repetitive tasks to your team members in the knowledge that they are following the precise processes you put in place. This produces consistent outcomes irrespective of who is completing the task.

Systems also mean when you hire new staff (or commence outsourcing tasks) the process is much easier. Every business owner should aim to reduce the time it takes to train new staff and streamline the induction process. This means you don't have to spend a lot of time explaining their role and responsibilities or answering repetitive questions about the tasks. You or a team member can simply walk them through a document (or video) that outlines the relevant processes to follow. This will save time, money and plenty of angst but it won't completely remove the need for some instructional training. No doubt it will speed up the process and you won't have to micro-manage your team because they know exactly what they need to do, how to do it, what tools to use and when to do it.

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GETTING STARTED

The starting point in systemising your business is identifying all the processes you use. Begin with the repetitive tasks and document all the steps you follow.

The more detail the better and we recommend you prioritise the list of tasks and focus on the ones that soak up the most time or have the biggest impact on your business. Think about everything you do and checklists can prove very useful.

Break down the tasks into the various components of your business that might include:

- Finance - invoicing, bookkeeping and accounting reports
- Human Resources - recruitment, employment agreements, induction, training etc.
- Marketing - website maintenance, social media, newsletters, blogs, emails, etc.
- Operations - answering calls and emails, onboarding new customers, customer database management, follow up of leads and customers
- Information Technology - software and systems
- Sales & Purchasing Procedures

If you can simplify some of the tasks then you might be able to systemise them or even better, automate them using technology. Email software tools (like Mail Chimp) can automatically generate a series of emails based on a certain trigger event.

An online calendar can let your customers or clients book their own appointments and then automatically send out appointment reminders by text or email which can reduce no-shows and late cancellations. This type of software can let customers reschedule, cancel or book regular or recurring appointments without interrupting you or your team.

They can potentially accept payments without interaction with staff and you can integrate appointment scheduling into your website and Facebook page that can save a huge amount of time and administration.

One area you can focus on automating is your marketing including growing your list of customers.

Technology can automatically add new contacts into your CRM system and given your customer database is a key business asset, this can make your business more valuable and saleable. For example, visitors to your website should be encouraged to exchange their contact details for a lead magnet that could be a valuable piece of your content that could be an e-book, guide, checklist or even a free sample.

Their email address is automatically added to your CRM (Customer Relationship Management) system and you can then segment your database by areas of interest and target your customers with tailored offers. You can then nurture the relationship by sending regular newsletters and offers.

SUMMARY

A business without systems and automation won't achieve its full potential. What is holding you back from systemising your business processes? Is it time to let go of the invoicing, bookkeeping, cleaning or some of the administrative tasks? Is your customer database a dog's breakfast and are you using the right technology to automate some of the tasks?

Entrepreneurs are always looking for new ways to do things and innovation can improve processes and drive better financial outcomes. Striving for continuous improvement means adopting new technology to create a more efficient business. Remember, systems and technology are constantly changing so your 'procedures manual' will always be a work in progress. People's roles also change so your manual will be under constant review.

Given we are all adapting to the new post COVID normal, there has never been a more important time to work ON your business, not just IN the business. If you need help to systematise your business we invite you to contact us today.

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THE FEDERAL 2021/22 BUDGET

The Treasurer Josh Frydenberg released the Federal Budget on Tuesday May 11 and the focus is on recovery and investment to support job creation to drive economic growth. The Treasurer announced an expected deficit of $161 billion, $36.7 billion lower than the $197.7 billion estimated in the Government's December Mid-Year Economic and Fiscal Outlook (MYEFO) which suggests our economy is recovering at a much faster rate than expected.

Australia's GDP growth is expected to come in at 1.25 per cent this financial year and while some sectors such as recreation and personal service businesses have returned to operating at pre-COVID levels, other sectors impacted by the ongoing border closure face significant challenges. With Australia's borders unlikely to re-open until at least mid-2022, immigration and international tourism are still off the agenda, as are most international student arrivals. Immigration and international students are important, not only for the industries and businesses they support through their spending, but they also supply labour in many industry sectors.

Much of the spending in this Federal Budget is focused on short-term measures for continued economic recovery to get the unemployment rate below 5 per cent. The focus is on large spending on infrastructure and targeted support for industries that will continue to suffer while our borders remain closed. Some of the key measures announced in the Budget include:

- 12-month extension of the temporary full expensing measures (instant asset write off) introduced in the 2020/21 budget to allow a deduction for the full cost of eligible depreciating assets (first used or installed ready for use) for entities with aggregated turnover of less than $5 billion.
- 12-month extension of the Loss Carry-Back Offset introduced in the 2020/21 Budget, allowing corporate entities to carry back tax losses for the 2022/23 income tax year for up to four income years.
- $15 billion in additional infrastructure commitments including a new intermodal terminal in Melbourne and a new airport in NSW.
- A range of welfare spending initiatives, including $13.2 billion allocated to the National Disability Insurance Scheme and $17.7 billion for new aged care funding.
- Consumption stimulus through the extension of the low and middle-income tax offset (LITMO) for a further year.
- A $1.7 billion investment in childcare to drive workforce participation and women's economic security.

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PERSONAL INCOME TAX

Tax Rate	Tax Payable	2021/22 (Per 20/21 Budget)	2024/25 Previously Announced
0%	$ 0	$0- $18,200	$0 - $18,200
19%	$ 0	$18,201 - $45,000	$18,201 - $45,000
30%	Not Applicable	Not Applicable	$45001 - $200,000
32.5%	$5,092	$45,001 - $120,000	Not Applicable
37%	$29,467	$120,001 - $180,000	Not Applicable
45%	$41,667	$180,001+	$200,001+

The Government will maintain changes to reduce personal income tax. This measure is designed to continue to stimulate the economy by increasing the disposable income available to individuals.

Income Tax Offsets

The Treasurer confirmed that the Low and Middle Income Tax Offset (LMITO) will be retained for the 2021/22 income tax year. It provides a reduction in tax of up to $255 for taxpayers with a taxable income of $37,000 or less. The LMITO will increase at a rate of 7.5 cents for every dollar of taxable income between $37,000 and $48,000, and taxpayers with taxable incomes between $48,000 and $90,000 will receive the full $1,080. For taxpayers with a taxable income over $90,000, the LMITO will phase out at a rate of 3 cents for every additional dollar of taxable income. It will phase out completely at a taxable income of $126,000.

The Low Income Tax Offset (LITO) will also continue to apply for the 2021/22 income tax year. For taxpayers with taxable incomes of less than $37,000, the offset is $700. The offset then reduces at a rate of 5 cents for each dollar of taxable income to $45,000 and at a rate of 1.5 cents for each subsequent dollar of taxable income, completely phasing out for taxable incomes above $66,668.

Personal Tax Rates

There have been no changes to the personal income tax rates for the 2021/22 income year. Stage 3 of the Government's personal income tax plan remains unchanged and should commence from1 July 2024. The table below summarises the resident personal tax rate and thresholds (excluding the 2% Medicare levy).

Medicare Levy Low-Income Thresholds

For the 2020/21 income year, the Medicare levy low income threshold for singles will be increased to $23,226 (up from $22,801). For couples with no children, the family income threshold will be increased to $39,167 (up from $38,474). For each dependent child or student, the family income threshold will increase by $3,597 (up from $3,533).

For single seniors and pensioners eligible for the seniors and pensioners tax offset, the Medicare levy low income threshold will be increased to $36,705 (up from $36,056). The family threshold for seniors and

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pensioners will be increased to $51,094 (up from $50,191).

Simplifying Deductions for Self-Education Expenses

Currently, individuals undertaking a prescribed course of education are only entitled to deduct the excess of the expenses incurred over $250. This exclusion of the first $250 of eligible self-education expenses is to be removed. This measure will take effect from the first income year after the date the amending legislation receives Royal Assent.

Simplifying the Australian Residency Rules

The existing tests for the tax residency of individuals will be replaced by a primary "bright line" test. Any person who is physically present in Australia for 183 days or more in any income year will be an Australian tax resident.

Simplifying Employee Share Schemes

Leaving an employer will no longer be a taxing point for employee share scheme entitlements. This means that tax deferral for the employee share scheme entitlements will continue until forfeiture conditions have passed and shares held are able to be freely sold, subject to the maximum 15-year tax deferral period. Currently, forfeiture conditions and sales restrictions are often lifted at the time employments ends. The value of shares that a company can issue to an employee under simplified disclosure requirement will also increase from $5,000 to $30,000 per year.

BUSINESS TAX

The Government has provided further support for capital investment by businesses and assistance with cash flows by extending the "temporary full expensing" measure as well as the loss carry-back offset for an additional income year. Important changes to the minimum threshold for the superannuation guarantee charge (SGC) have also been announced.

Extension of Temporary Full Expensing

The temporary full expensing measures introduced in the 2020/21 budget provided a deduction for the full cost of eligible depreciating assets (first used or installed ready for use before June 30, 2022) to entities with aggregated turnover of less than $5 billion. The measure will now be extended until June 30, 2023 providing additional time for eligible entities to make capital investments and benefit from accelerated tax depreciation.

All other features of the measure remain unchanged including the alternative test for entities that have aggregated turnover of $5 billion or more, the ability to opt-out on an asset-by-asset basis, availability of full expensing on capital improvements to existing depreciating assets and the ability to write off the entire balance of a general small business pool for small business entities using simplified depreciation.

Extension of Loss Carry-Back Provisions

The loss carry-back offset introduced in the 2020/21 budget will be extended by a further 12 months, allowing corporate entities to carry back tax losses for the 2022/23 income year for up to four income years, as far back as the 2018/19 income year. The loss carry-back offset is available to corporate tax entities with aggregated turnover of less than $5 billion and is intended to complement the temporary full expensing measure where tax losses are generated through significant capital investments that give rise to immediate deductions. The measure allows for cash refunds with the lodgement of the tax return rather than future tax savings from carrying forward tax losses to later years and can provide additional cash flow to support working capital for companies who make tax losses after previously being in a taxable position.

The loss carry-back offset is limited to a company's franking account balance and this limitation may prevent entities from accessing the measure where they have paid out franked dividends during the year.

Removal of Minimum Income Threshold for Superannuation Guarantee

Currently, employers are not required to make superannuation contributions under the superannuation guarantee legislation for employees in receipt of salary and wages of less than $450 in any calendar month. Many employers

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have configured their payroll systems to accommodate this threshold. The Government has announced that this threshold is to be removed with effect, most likely from 1 July 2022. This measure will mean that superannuation support must be provided to all employees regardless of the level of income in any one month and is designed to ensure low income earners are not disadvantaged. The proposed changes will primarily impact employers with casual and part-time employees such as those in the retail and hospitality industries. Employers will need to keep track of this change to ensure their payroll systems are correctly set up to meet their obligations once the measures take effect.

Extending the SME Recovery Loan Scheme

The Government is extending the SME Recovery Loan Scheme. It includes an increased government guarantee of 80 per cent, a higher maximum loan size of $5 million and a maximum loan term of 10 years, with interest rates capped at roughly 7.5 per cent. Borrowers may also be offered repayment holidays of up to 24 months. The Scheme is available to SMEs with a turnover of up to $250 million. They must also have been recipients of the JobKeeper payment between January 4, 2021 and March 28, 2021 or were affected by the floods in eligible Local Government Areas in March 2021.

Industry Specific Business News

1. Small craft brewers and distillers will receive an increase in the cap for claims on the Excise Refund Scheme from $100,000 to $350,000 from July 1, 2021.
2. Almost $130 million is going to the New Enterprise Incentive Scheme (NEIS) and Entrepreneurship Facilitators Program, to support people who want to start, run and grow their own business.
3. A 30% Digital Games Tax Offset for eligible businesses that spend a minimum of $500,000 on qualifying Australian games expenditure. This excludes unclassified games, or those that involve gambling.
4. Aged Care scored a huge boost with $17.7 billion to be spent over 5 years including 80,000 home care packages and a supplement of $10 per resident, per day.

SUPERANNUATION

Superannuation changes announced in the Budget provide increased contribution opportunities for individuals over age 60.

Removal of Work Test for Non-Concessional Superannuation Contributions

The Government announced it proposes to permit individuals aged 67 to 74 to make non-concessional (after-tax) contributions to superannuation on the same terms as those currently applying to individuals under age 67 by removing the work test for contributions made from 1 July 2022. Currently, individuals aged 67 and over are subject to a work test, which requires the individual to have worked a minimum of 40 hours over a consecutive 30-day period in the financial year in order to make a voluntary superannuation contribution that year (either concessional or non-concessional).

Although the work test will be removed for non-concessional contributions from July 1, 2022, the test will be retained for personal deductible (i.e. concessional) contributions. The removal of the work test for older Australians also includes increasing access to the bring-forward rule for non-concessional contributions. The bring-forward rule can allow an individual to make three years of non-concessional contributions in one year (e.g. up to $330,000 from July 1, 2021). However, the ability to make non-concessional contributions will continue to be subject to an individual's total superannuation balance being less than the transfer balance cap (currently $1.6m increasing to $1.7m from July 1, 2021) at June 30 of the prior year.

Reducing the Age of Eligibility From 65 to 60 Years for Downsizer Superannuation Contributions

The Government announced that it will reduce the eligibility age where downsizer contributions can be made into superannuation from 65 to 60 years of age, with the changes expected to come into effect from July 1, 2022. These measures will allow a person aged 60 or over to make a one-off non-concessional contribution to their superannuation of up to $300,000 from the proceeds of selling their principal residence owned for ten years or more prior to the sale. Downsizer contributions do not count towards superannuation contribution caps and are permitted irrespective of a total superannuation balance. Contributions under the measure are available to an individual and their spouse even if only one of them was the owner of the property (i.e. both may contribute up to $300,000 each from the sale if they each satisfy the conditions). The measure is a targeted reduction in super restrictions that should provide increased incentive for older individuals to downsize sooner, thereby increasing the supply of family homes.

Increase in Maximum Releasable Amount for First Home Superannuation Saver Scheme

The Government announced an increase in the amount of superannuation savings a first home buyer can access to purchase a first home. Under the current First Home Superannuation Saver Scheme, up to $15,000 of voluntary superannuation contributions a year can be accessed early for the purchase of a first home, with a total withdrawal amount of up to $30,000

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permitted. Under the revised scheme, the annual $15,000 voluntary contributions amount remains, but eligible individuals will be able to withdraw up to $50,000 in total of eligible super savings for a first home purchase. This revised scheme is expected to commence from July 1, 2022.

Contributions and associated earnings that are withdrawn under the scheme are taxed at the individual's marginal tax rate, less a 30 per cent tax offset. In most circumstances, the net tax paid on contributions and earnings withdrawn under the scheme would be in the order of 15%. As such, this is likely to be a better outcome compared to the first home deposit being saved personally where ordinary marginal tax rates would apply on earnings. Most first home buyers would benefit from using the scheme and the Government announced some further technical changes to reduce complexity and unintended outcomes which should make the scheme more accessible to first home savers.

Self-Managed Superannuation Funds and Legacy Pension Conversion

The Government stated it will permit individuals to exit legacy pension products, together with any associated reserves, for a limited period of two years. The measure is stated to apply to market-linked pensions, lifetime pensions and life-expectancy pensions in self-managed superannuation funds. Currently, these pensions can only be converted into another pension where access to the underlying capital is generally restricted, with significant tax and estate planning issues arising on such a restructure. The Government also stated that the social security and tax treatment will not be grandfathered for new pensions commenced with commuted funds and that commuted reserves will be taxed as an assessable contribution. Accordingly, the detailed rules and individual circumstances will need to be examined before deciding whether conversion of a legacy pension under this measure is optimal for those who may become eligible to do so. The measure is stated to apply from the first financial year after the date of Royal Assent of the enabling legislation.

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2021 TAX RETURN – HOME EXPENSE CLAIMS

As we approach the end of the 2020/21 financial year, the Australian Tax Office has indicated that several types of costs associated with working-from-home will not be eligible as a tax deduction.

With so many people working from home through 2020 and beyond, the ATO have issued a reminder that personal and occupancy expenses cannot be claimed. Personal expenses like tea, coffee and toilet paper that are typically supplied by employers, aren't directly related to earning income and therefore cannot be claimed by taxpayers who were forced to work from home. Other ineligible expenses include those related to a child's education. These include online learning courses and laptops.

The ATO also warned that working from home doesn't make it a place of business for tax purposes. Employees generally can't claim rent, mortgage interest, property insurance or rates. The Tax Office also warns that claiming occupancy expenses could potentially expose the home to capital gains tax on sale.

Home Office Expenses

Last year the ATO announced a simplified method of calculating home office expenses and this 'shortcut' method has been extended to June 30, 2021. Taxpayers can claim a rate of 80 cents per hour to cover all their running expenses rather than calculating specific costs for running expenses. Taxpayers simply need to record the hours they worked at home on timesheets or have diary notes. The rate of 80 cents per hour covers costs including:

- Electricity for lighting, cooling, heating and running electronic items
- Phone and internet costs
- The decline in value of a computer, laptop home office furniture and furnishings.

The shortcut is all-inclusive and can't be supplemented by additional, individual expense claims on items like phone and internet costs. Taxpayers don't need to have a dedicated work-from-home area to claim under this method and multiple people in a household can claim using the shortcut method.

The shortcut method is optional, and individuals can elect to claim based on the actual expenses incurred but they would need to comply with the more complex, record-keeping requirements Taxpayers should choose the appropriate method for their circumstances.

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ATTENTION
ALL COMPANY DIRECTORS

New Director Identification Number

The Government has introduced a Director Identification Number (DIN) to provide greater transparency around the background of company directors to combat illegal phoenix activity that leaves creditors unable to recover debts. The introduction is very timely given the number of financially distressed companies on the verge of insolvency due to the COVID-19 pandemic.

The Director Identification Number is designed to deter Directors from engaging in illegal phoenix activity and will help regulators detect phoenix activity. Directors need to be aware of their obligations and the penalties of such activity include large fines and up to 15 years' imprisonment.

So What Impact Will the DINs Have on Company Directors, Aside From More Form Filling?

For most directors, the impact of the new Director Identification Number will be minimal. For those who comply with Australia's corporate laws and regulations, the DIN is simply a unique identification number issued by the government that they retain for life.

There's no fee and the government administers the system through the new Australian Business Registry Services (ABRS), which is consolidating ASIC's 31 business registers and the Australian Business Register.

All directors will be required to provide a number of documents to the Commonwealth Registrar to establish their identity and receive their unique DIN. This includes a driver's licence (or learner's permit), passport, birth certificate, Australian visa and Medicare card. The Registrar may also request the director's tax file number (TFN) and the Registrar can ask the ATO to provide the TFN of an individual who has applied for a director ID to verify the identity of the individual.

As the DIN system will be administered by the Commonwealth Registrar operating under a separate statutory function of the ATO, bad director behaviour should come to the attention of the ATO more often and more quickly. Any insolvency practitioner who enables directors in their phoenixing activity will also come to the ATO's attention faster.

The DINs Will Benefit Almost Everyone Involved in a Company

In addition to helping deter and identify illegal phoenix activity, and with it reduce the number of creditors left unpaid, the DINs will also benefit investors, shareholders and company directors by giving them access to better background knowledge of a director, particularly their relationships with companies past and present, and help prevent them appointing fictitious directors, i.e., those with false identities.

Directors must apply for their DIN by November 30, 2022 and penalties will apply for falsifying identity information or applying for multiple DINs. New company directors registered under the Corporations Act must apply for a DIN within 28 days of becoming a director. With the legislative changes, now more than ever, directors need to be aware of their obligations.

2021 Tax Return

Client Checklist

June 2021

2021 - Individual Tax Returns

Income

- Gross salary, wages, allowances, benefits, earnings, tips, Directors Fees and Insurance for lost wages.
- Income from business activities.
- PAYG Payment Summaries or Income Statements from MyGov
- Details of any non-cash benefits received including discount(s) on employee shares or rights.
- Lump sum and termination payments. All documentation should be provided including an ETP Payment Summary from the employer or fund.
- Government Social Security payments, including pensions, unemployment and sickness benefits.
- Details of any CGT asset sales (e.g. shares, business and real estate). Please include dates of, and costs associated with, acquisition and disposal (You can save tax if you qualify for the variety of CGT concessions).
- Annuities, including allocated pensions or superannuation income streams.
- Income from trusts and partnerships. Statements of distribution should be provided where appropriate.
- Rental income.
- Interest and dividends received from any source including life insurance or friendly society bonuses and any tax deducted. Include details of franked dividends (i.e. imputation credits).
- Foreign source (employment and pension) income and details of any foreign tax credits, assets or property.

Deductions

- Investment and property expenses (carefully detail interest and repair claims), supply statements.
- Work-related subscriptions or memberships (not including sporting or social clubs).
- Employment related expenditure such as self-education, protective clothing, tools, union fees, uniform and laundry expenses.
- Motor vehicle expenses, car finance lease statements (include petrol, repairs, parking and maintain a Motor Vehicle Log Book where necessary).
- Donations of $2 and over.
- Income Protection Insurance Premiums.
- For Self-Employed persons, details of any Superannuation Contributions made.
- Home office expenses where employment requires use of your computer, phone or other device.
- Tax Agent Fees and other accounting/tax audit fees.
- Special deductions (Australian films, investment shelters and agribusiness-type schemes).
- Unrecouped prior year losses.

New Clients

- Last year's Notice of Assessment and Tax Return (if available)

Rebates

- Private health insurance annual statement (request from Health Fund)
- Details of superannuation contributions where no tax deduction can be claimed.
- Any changes in dependants, children's details, DOB and any Centrelink benefits applicable(income of spouse should also be provided).
- Details of any income received in a lump sum which was accrued in earlier income years (e.g. assessable pensions).
- Details of any remote work performed for 183 days or more.
- HECS-HELP Debt details.

8 Most Common Errors in Income Tax Returns

1. Omitting Interest Income
2. Incorrect or Omitted Dividend Imputation Credits
3. Capital Gains/Losses are Incorrect or Omitted
4. Understating Income
5. Home Office Expenses
6. Depreciation on Rental Property Fixtures and Fittings
7. Depreciation on Income Producing Buildings
8. Borrowing Costs associated with Negative Gearing

2021 - Companies, Partnerships, Trusts and Other Businesses

Income

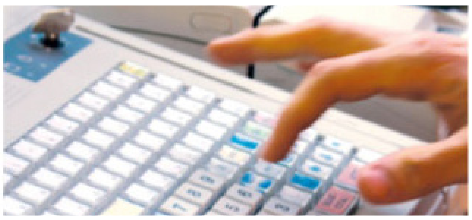
- Trading Income.
- Other Income (e.g. Rent, Interest, Royalties).
- Stock on Hand at June 30, 2021 (and basis of valuation) – note any obsolete stock.
- Work-in-Progress at June 30, 2021
- Primary Producer subsidies (if assessable).
- Details of CGT assets (e.g. shares and real estate) sold, including dates of, and costs associated with acquisition and disposal.
- Dividends, including details of franking credits.
- Income from foreign sources including details of any foreign taxes paid.

Deductions

- Repairs and maintenance.
- Salaries, including fringe benefits.
- Fringe benefits tax paid.
- Rates, land taxes and insurance premiums.
- Advertising expenses.
- Interest on borrowed monies.
- Deductions relating to foreign-source income.
- Prepaid expenses (subject to transitional rules).
- Retirement payments and golden handshakes.
- Bad debts actually written off during the year.
- Donations of $2 and over depending on the recipient.
- Commissions.
- Legal expenses.
- Lease or Chattel Mortgage payments on motor vehicles and equipment.
- Losses of previous years
- Superannuation contributions.
- Subscriptions.
- Car expenses (remember to include petrol, repairs and parking and maintain a log book where necessary).
- Tax agent's fees and other accounting and tax audit fees.
- Royalties paid.
- Details of the destination and purpose of any interstate or overseas trip. Expenses must be fully documented where travel involves at least one night away from home. Travel diaries should be included where travel exceeds five nights.
- Research and development expenditure.
- Bank fees (where the credit or deposit represents assessable income).

Liabilities

- New loans taken out during the year and their purpose, including any new lease or chattel mortgage agreements on vehicles, equipment or machinery.
- Statements from the lending authority detailing the opening and closing balances of existing loans during the financial year.
- Provisions for long service and annual leave.
- Creditors at June 30, 2021.
- Details of loan accounts to directors, shareholders, beneficiaries and partners.
- Accrued expenses (e.g. audit fees, interest payments).
- Commercial debts forgiven.



Assets

- Details of depreciable assets acquired and/or disposed of during this income year, including:
- type of asset;
- date of acquisition;
- consideration received/paid.
- Lease commitments.
- Debtors at June 30, 2021.
- Commercial debts forgiven.

Additional Information Required

- Franking account details/ movements.
- Overseas transactions, exchange gains/losses.
- Private companies – remuneration or loans to directors, shareholders and their relatives.
- Changes to the capital of the company.
- Whether family trust elections have been made in relation to trusts.

Note:
To ensure that you obtain the maximum deductions to which you are entitled and in consideration of the penalty provisions, FULL DETAILS of any claim should be provided and supporting documentation made available. For employee taxpayers and for travel and motor vehicle claims by self-employed taxpayers, documentation must be a receipt, tax invoice or similar document which contains certain details. For other taxpayers, documentation may comprise receipts, dockets, diary notations or reasonable and supporting estimates.

The BUSINESS ACCELERATOR MAGAZINE

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