

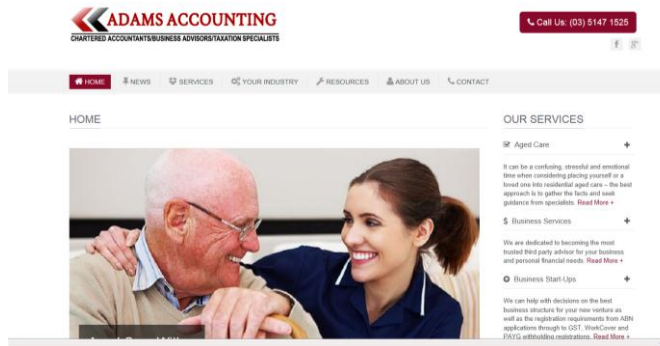
NEW Website Launched!

Adams Accounting are pleased to announce the launch of our website... www.adamsaccounting.com.au.

Our website contains lots of different information, from details of services that we provide to checklists and fact sheets on the most common topics we get asked about.

There is also a resources page on our website which includes things such as tax withheld calculators and business tax return checklists.

Head over and check it out!
www.adamsaccounting.com.au



Superannuation Guarantee Rate frozen at 9.5% until 2021

Recently the government successfully repealed the Mining Tax, which has come with a series of concessions.

The major concession is for employers in that the superannuation guarantee rate for an employee's compulsory superannuation has been frozen at 9.5% until June 2021.

So why the freeze?

The government believes that leaving compulsory superannuation contributions at 9.5% for the next 6 years will help with business planning, wages and salary packages for businesses throughout Australia and allow employees to have more "cash in their pocket" to invest in their future retirement.

Bookkeeping Essentials Seminar

Adams Accounting is running a **FREE** Bookkeeping Essentials seminar on Wednesday 29th October at 5.30pm.

Need to brush up on your bookkeeping & GST knowledge?

Looking to change software?

Taking days to reconcile your bank account?

We'll take you through the basics, FAQ's, cloud and desktop software options as well as field any questions you may have.

Bookings are essential so please RSVP by 20th October 2014.



INSIDE THIS ISSUE

- 2** Relief milkers – employee or contractor?
ABN entitlement checks and auto cancellation
- 3** Small Business dispute resolution service
Recipe Corner
- 4** Have you considered a SMSF?
Gippsland Dairy Farmers Performance

Relief Milkers – Are They An Employee Or A Contractor?

Farmers may choose to engage an independent contractor when they have a specific job which needs to be performed by a person with a particular skill, for instance, silage making or hay baling.

It is important to be able to distinguish between an independent contractor and an employee as the law imposes different rights and obligations on those who engage independent contractors and those who engage employees.

What is a contractor?

A contractor is someone who you pay for a service. They can choose to take the job, they can delegate who does the task, they are responsible for getting the job done and they supply their own equipment. They have an ABN and are responsible for their own WorkCover and superannuation.

What is the difference between a contractor and an employee?

A contractor is a person who works under a commercial contract. The contractor can operate as an individual or through a partnership, trust or company. An employee is a person who works under an employment contract. If a person has nothing else to sell other than labour, they are an employee, not a contractor. **Someone does not become a contractor simply by supplying an ABN.**

Can I employ a relief milker as a contractor?

No. As the relief milker does not have the right to control how and when the work is performed and cannot delegate work to others they are seen as an employee not a contractor, regardless of them having an active ABN. If the person performs relief milking services to a number of farmers then a contractor situation could exist.

The ATO have released an Employee/Contractor Decision Tool that will help you determine if you should treat someone as an employee or contractor, follow this link to get started:

<http://calculators.ato.gov.au/scripts/axos/axos.asp?CO NTEXT=&KBS=GEC.xr4&go=ok>



ABN Entitlement Checks Continue

Through the Towards a Better Business Future initiative, work continues to improve the accuracy and integrity of information on the Australian Business Register (ABR) by scrutinizing Australian Business Number (ABN) entitlement.

The ATO has advised that over 93,000 ABNs were cancelled by the register during the 2011-12 financial year. This number has now grown to over 210,000 ABNs cancelled by the Register.

If your ABN is cancelled, you will receive a letter providing the reason and review rights. If you do not agree with the cancellation, you can object and your ABN can be reinstated if you can show they are entitled to have an ABN.

Remember that cancelling an ABN will also cancel your AUSKey (if you have one) and registration for GST, luxury car tax, wine equalisation tax and fuel tax credits where applicable.

In addition to improving accuracy and integrity work, the Registrar will also be contracting ABN holders to remind them of the legal requirement to update their ABN registration details on the ABR within 28 days of becoming aware of any change.

Motor vehicle expenses

We are asking clients to start tracking private and business motor vehicle expenses separately in their records.

We ask that you have two separate categories to allocate the costs to – one for 100% business use vehicles and one for private use vehicles.

Why? So that when it comes time to prepare your Income Tax Returns you have an easily identifiable summary of costs in relation to each vehicle type. Another reason to split vehicle costs is that in the event of an ATO audit, the correct claims have been made.



Small Business Dispute Resolution Service

The Minister for Small Business has announced that small businesses in a dispute are set to benefit from the launch of Dispute Support, a new online dispute resolution information and referral tool.

Dispute resolution services are available to assist in resolving business-to-business and business-to-government disputes. The wide range of issues which the Small Business Commissioner may be able to assist with include:

- payment and contract
- retail leasing
- farm debt
- franchising
- forestry and owner drivers
- Disputes with Government.

Dispute Support is a simple to use online tool to help small businesses identify the most appropriate low cost dispute resolution service for their dispute.

Dispute Support also provides information on understanding and managing disputes, and tips to help avoid disputes in the future.

Dispute Support is available on the Australian Small Business Commissioner's website:

<http://www.asbc.gov.au/disputesupport>



Recipe Corner

Fresh vegetables, warm weather — what's not to love about spring?

With the first month of spring already gone, here is a spring inspired recipe for you to try at home.

Spring Risotto

Ingredients

- 1.5 litres chicken stock
- 1 tablespoon extra-virgin olive oil
- 1 small onion, finely chopped
- ½ cup sliced mushrooms
- 2 cups arborio rice
- 150ml dry white wine
- 1 cup shredded cooked chicken
- ½ cup frozen peas
- 1/3 cup grated parmesan, plus extra to serve
- 30g butter, chopped
- grated zest and juice 1 lemon
- 2 tablespoons chopped parsley, plus extra to serve
- crusty bread, to serve

Preparation method

1. Pour stock into medium saucepan and bring to a slow simmer. Keep warm.
2. Heat oil in a large heavy-based saucepan on medium. Sauté mushroom 1-2 minutes. Set aside. In same pan, sauté onion for 3-4 minutes, until tender. Add rice, stirring for 1 minute to coat well.
3. Pour in wine and stir for 1 minute until absorbed. Add hot stock, 1 cup at a time, stirring until all liquid has been absorbed before adding the next cup – this will take 15-20 minutes. Rice should end up creamy with a slight bite.
4. Remove from heat. Stir chicken, peas, mushroom, parmesan, butter and lemon through. Season to taste. Set aside, covered, for 2 minutes, then serve with extra grated parmesan, parsley and crusty bread.

TOP TIPS

- Eat risotto as soon as it is cooked, as it loses its texture.
- Parsley can be replaced with basil or thyme.
- Shape leftover risotto into flat discs. Dust with flour and pan-fry for 2-3 minutes each side. Serve with salad.



Have you considered a Self Managed Superannuation Fund (SMSF)?

As at 30 June 2014 there are roughly 534,000 Self-Managed Superannuation Funds in Australia totalling assets of \$557 billion. That's 1/3 of the Australian superannuation pool assets.

SMSF provides the opportunity for you to have a say in what your fund invests in, as well as cut down on annual compliance costs. In order to make an SMSF affordable compliance wise, the estimated start-up balance required of the fund is \$150,000. A SMSF can have up to 4 members, meaning you personally don't need \$150,000 to get started - split evenly you could get started on as little as \$37,500 each (based on 4 members).

You could engage financial planners or stock brokers to do the investing for you, or take full control and DIY.

24 September 2007 marked an important date in Australian superannuation history. This day marked the beginning of limited recourse borrowing arrangements (LRBA) for SMSFs. This allows SMSFs to borrow money to buy a single asset as long as the lender's recourse is limited to that asset only if the SMSF defaults on the loan. The most commonly LRBA asset is property. This opens the door for those looking to invest in property but are short on disposable cash to use their superannuation to invest.

If you would like further information regarding SMSFs or LRBAs please contact us.

Importance of budgeting

Cash flow and budget projections are seen by many business owners as an unnecessary cost. However, why put in so much effort trying to run and grow your business, if at the end of the day you have no documented expectations to compare your results with?

Setting an overall profit and cash flow target is a start, but there are many ways to exceed or fall short of that figure. It may be machinery failure, employee issues, material costs or just simply not reaching revenue goals through slow economy or pricing yourself out of the market.

Comparing your actual results to budgets on a periodical basis is an effective way for you to identify problem areas and growth opportunities within your business.

Gippsland Dairy Performance

Recently Dairy Australia held a presentation in Sale for the performance of the 2013/14 Dairy Farm Monitor Project.

The project monitors 75 farms across Northern Victoria, Western Victoria & Gippsland, with Gippsland contributing 25 farms.

From the project the following are some of Gippsland's averages;

- Gippsland produces 1.9 billion litres of milk each year from 1,500 farmers and 400,000 cows, accounting for 21% of Australia's milk production.
- In 2013/14 Gippsland received 905mm of rainfall, which is 102% of long term average
- Macalister irrigation district received 100% of high reliability water shares
- 284 herd size
- 468 kg of MS/cow
- 39% increase in milk price to \$6.62/kg MS
- 6.4% return on assets (2nd highest result in projects 8 year history)
- 7.6 ton DM/ha grazed (up 0.8 ton DM/ha)
- 1.0 ton DM/ha conserved (up 0.4 ton DM/ha)
- Cost of production decreased to \$5.16/kg MS
- 75% of participating farmers intend to increase total milk production
- 33% of farmers were concerned about the seasonal variability, in particular the El Nino

How do you stack up against Gippsland's participants?

For the full Dairy Farm Monitor Project visit www.depi.vic.gov.au/dairyfarmmonitor



WHERE TO FIND US

170 Johnson Street Maffra Victoria 3860
PO Box 251 Maffra Victoria 3860
Phone: (03) 5147 1525 | Fax: (03) 5147 3211
Email: admin@adamsaccounting.com.au