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NEW BRANDING

- New look, same quality service



Chamber Business Awards Success

Johnsons MME recently enjoyed success at the 2015 Albury Wodonga Chamber Business Awards taking home the 'Employer of Choice' and 'Most Outstanding Business' categories.

Managing Partner, Gary Essex said, "We were extremely delighted to be awarded Albury Wodonga's 'Employer of Choice' but to also win the coveted 'Most Outstanding Business' was totally unexpected.

"We want to thank our staff and clients for their loyalty, commitment and enthusiasm towards making Johnsons MME one of the region's standout businesses. We also congratulate the other award winners and

nominees for taking the time to enter the Chamber Business Awards. It is a great opportunity to take a step back and review your business and then to celebrate it alongside the business community of Albury Wodonga."

Johnsons MME will now compete in the Murray Riverina Chamber Business Awards to be held on October 2. Held annually since 2013, the Awards recognise business excellence throughout the wider region and winners go on to compete in the State Chamber Awards held in November.

Pictured above: Paul Goonan, Stephen Clarke and Rod Mullavey accepting the Awards.

New branding

Notice anything different? Johnsons MME has had a make-over. We've refreshed our corporate branding reflecting a new modern look and feel.

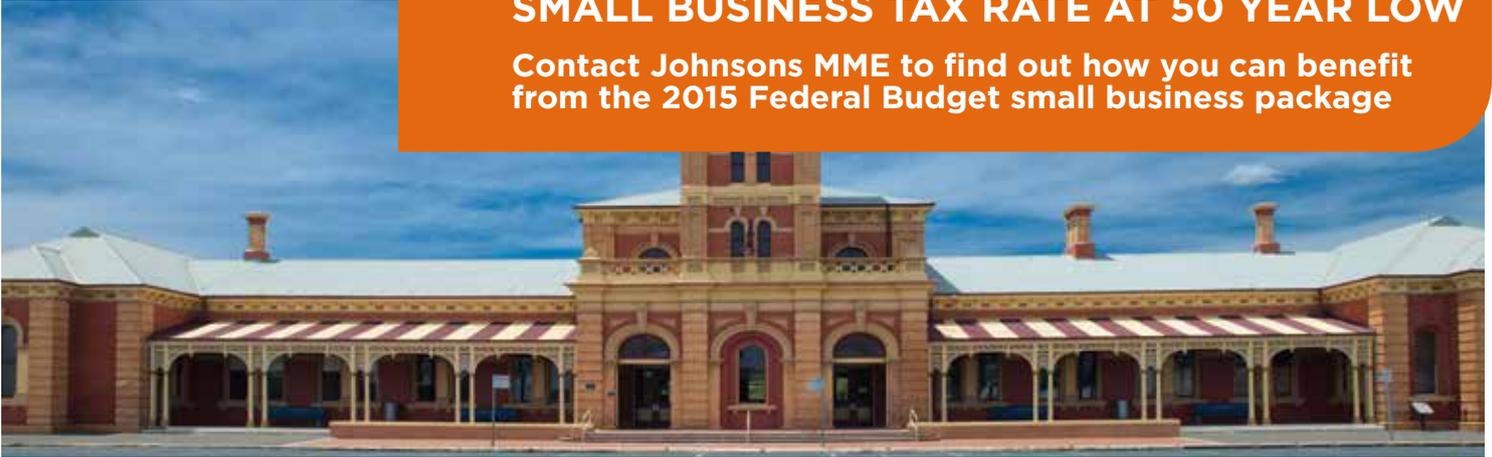
What hasn't changed is the quality of the service and professionalism you expect from

the region's largest privately owned chartered accounting and business advisory firm.

We look forward to seeing you next and working with you to achieve your business and personal financial goals, together.

SMALL BUSINESS TAX RATE AT 50 YEAR LOW

Contact Johnsons MME to find out how you can benefit from the 2015 Federal Budget small business package



A BUDGET BONUS FOR SMALL BUSINESS

with Danny Salmon, Associate - Business Services

When the 2015 Federal Budget was handed down in May, there was a nice surprise included for small business operators. The surprise came in the form of a 100% tax deduction for the purchase of depreciating assets that cost less than \$20,000. This is a temporary increase of the existing \$1,000 cost price limit that currently applies to small business.

There are a few "conditions" attached to the deduction as follows:

First of all, the asset must have been first acquired at or after 7:30pm, AEST on 12 May 2015 and must be first used or installed ready for use on or before 30 June 2017. In other words, this deduction is only available for around 26 months. From 1 July 2017 the deduction reverts back to assets costing less than \$1,000.

Next, in order to claim a tax deduction in a particular financial year, the asset must be installed and ready for use by 30th June in that year.

So for example if you have purchased a piece of equipment on 20 June 2015 which needs to be assembled before it is able to be used, then in order to claim a tax deduction for the 2015 financial year, the equipment needs to

have been assembled by 30 June 2015. If you don't get around to assembling it until 5 July 2015, then the tax deduction applies in the 2016 year.

Thirdly, the purchase price needs to be less than \$20,000. If you are registered for GST, then it is the GST exclusive price that you need to be concerned with. If however you are not registered for GST, then it is the GST inclusive price that counts.

And finally, the \$20,000 cost price limit is also on an asset by asset basis. So if you were to purchase say three different assets each costing less than \$20,000 then you can claim a tax deduction for the total purchase price of all three assets.

It is also important to note that the asset being purchased does not have to be brand

new. The deduction applies to second hand assets too.

It is also possible to claim a deduction for amounts included in the second element of the cost base of a depreciating asset that was first used or installed ready for use in a previous income year. The second element of the cost base is generally amounts you have spent to bring the asset to its present condition or location - such as improvements made to the asset.

The immediate write off of assets costing less than \$20,000 might not be for everyone. Often you shouldn't spend \$1 to save 30 cents unless you were going to spend the \$1 in the first place, maybe just at a later point in time. So do take care to consider your financial circumstances and seek the advice of your Johnsons MME accountant and advisor.

OUTSOURCING TO CREATE EFFICIENCIES

Most business owners would prefer to concentrate on running their business rather than worry about employing administrative staff. This is where outsourcing these roles can provide many advantages:

- Tasks can often be performed offsite therefore saving space at your business premises;
- Able to access the latest systems through the outsourcing provider;
- Scalability - able to grow the business by providing additional short term resources as required at short notice;
- Full time knowledge in part time roles;
- Backup staff - no need to worry about covering periods of staff leave;
- No need to go through the worry of recruiting staff; and
- Cost effective, only pay for what you use.

Johnsons MME offers outsourcing services providing experienced administrative, payroll and accounting staff from bookkeepers to CFO's and everything in between. For an obligation free discussion on how we may take the pressure off your administrative function, phone Noel Sargent at Johnsons MME on 02 60239 100.

INVESTMENT MARKET UPDATE

with Cameron Diffey, Director - Financial Advisory



A client often mentions to me that a price is simply a reflection of supply and demand, basic economic theory. In Australia the supply and demand story can be seen all around us. After years of underinvestment in supply, largely due to low prices and flat demand, China emerged as a buyer of commodities, and the surge in demand is largely unprecedented in history. Prices for iron ore, coal, oil, natural gas and copper spiked higher enabling producers to bring new supply to the market, this can take ten years and billions of dollars in the mining and oil and gas sectors. Today the new supply is hitting the market and driving down prices,

sending the price signal to reduce supply. Reducing supply is difficult when you have made a significant capital investment so the general approach is to maintain production, keeping prices lower for longer.

Low interest rates are a function of supply and demand. Governments and companies are keen to finance their budgets and business when interest rates are low, and will issue more debt. The question is who continues to buy the debt when interest rates are low, and for many governments, their respective central banks are the buyers, along with financial institutions who have to pay pensions to the retiring baby boomers.

In the broader business sector, demand is ever changing with technology, creating new opportunities but also destroying old business models. Adapt or perish! The internet has created new supply, globalization has supply coming from different geographical areas. The 'middleman' is being squeezed out in a lot of sectors of the economy. There is still demand for personal service, and a quality product, just have to work smarter for it, and be prepared to adapt to meet the market.

In our region manufacturing which is often a high productivity sector is losing ground, whilst private and public services are growing, generally lower productivity sectors with lower average earnings. Albury Wodonga is well located to continue to benefit from the growth in health care and education. However our region needs a boost from the lower \$A and low interest rates, we need more jobs.

The financial world waits for the US Federal Reserve to raise short term interest rates from 0% (they have been at 0% for six years), Australian interest rates are likely to remain at low levels for some time as our economy adjusts to the decline in the commodities boom with economic growth likely to remain below 3%, which is below the long term average annual growth rate around 3.5%. In a general sense commodity prices are likely to remain under pressure while global economic growth remains subdued, notwithstanding that farm incomes in our area are rising, for the time being!

As an Australian test cricket captain departs, I recall a quote from a predecessor Greg Chappell, 'If you fail to plan, you are planning to fail'. I think Benjamin Franklin may have come up with it first.

RBA Index of Commodity Prices
SDR, 2013/14 average = 100



Source: RBA

combined with slowing growth in demand. In the agricultural sector these changes occur more quickly with the growing seasons and weather impacts. Australian farmers are generally receiving higher prices for grains, beef, sheep and wool. Dairy farmers are well aware of the supply demand equation with the global milk prices declining rapidly

The property market, in particular residential property is all about supply and demand. Supply of houses in the areas where a lot of people want to live is in short supply, so prices rise combined with domestic and foreign investment, cheap money, and people returning to live in NSW and Victoria. This is reflected in the surge in Sydney and Melbourne house prices.

Music in the Gardens

A series of free open-air concerts staged in the Albury Botanic Gardens.



Johnsons MME is proud to partner Albury City Council for the Spring 2015 and Autumn 2016 Music in the Gardens series featuring:

- September 20 - Lola Lovina
- October 18 - Shirazz
- November 15 - Simon Tedeschi

For more details: alburycity.nsw.gov.au

NOW, WHERE, HOW

- THE ESSENTIALS FOR SUCCESSFUL BUSINESS PLANNING

with Paul Goonan, Partner - Business Services



Think of a successful business and ask yourself, what makes it successful?

Perhaps the owners or staff have a strong work ethic, maybe there has been an element of good luck, but without doubt, you will find that ingrained in the way they do business is a significant investment in planning.

These businesses know the value of setting a plan for everyone in the business to follow. The performance of the business can be measured against the plan and deviations from the plan can be identified early and changes can be made to keep the business on track.

A great way for any business to focus on planning is to undertake a Now-Where-How analysis.

The first step in the process is to understand the Now analysis. This is the starting point. What does your business look like now?

Document key items such as; turnover, profitability, net assets, major customers, services/products and key staff.

The second step is to look at the Where. Where do you want to take the business in the next 5 to 10 years? Spend time thinking about what the future business looks like. Is it still growing? Are you entering new markets or launching new products? Are you getting it ready for sale?

Once you have documented where you want to take the business, you will identify there is a gap between where the business is now and where it will be in the future.

The How stage of the process is about documenting actions that need to be taken to bridge the gap. These actions will need to have specific tasks, deadlines and responsible people assigned to them to ensure they are completed in a timely manner.

To make sure your Now-Where-How planning process for your business works effectively we recommend you follow the process in order. Now, Where and then How. Avoid the temptation to go straight to the How action items. You need a start and end point to measure the success of the actions against.

We believe the power of planning will quickly become evident to you if it is not something you have focussed on in the past and recommend the Now-Where-How analysis as an ideal mechanism to undertake your planning.

If you require assistance with undertaking a Now-Where-How analysis of your business, please contact our office.

ARE YOU UP FOR THE CHALLENGE?



Johnsons MME has thrown its weight behind the organisers of the Lake Hume Cycle Challenge and their efforts to raise funds for the new Albury Wodonga Regional Cancer Centre.

“We are really excited to be a part of this event as the major sponsor,” said Rod Mullavey, Partner with Johnsons MME.

“This is a very worthy cause and something that will benefit people in the wider region for years to come. We look forward to working with the Lake Hume - Bellbridge Rotary Club and also other sponsors such as Jayco Albury Wodonga and Drummond Real Estate to

ensure that the Lake Hume Cycle Challenge becomes an iconic sporting event on the Albury Wodonga calendar.”

Johnsons MME is throwing open a challenge to businesses in the region to get a team together and participate in the corporate challenge.

“What better way to rid yourself of those additional kilos of Christmas cheer than to train for the Lake Hume Cycle Challenge?,” says Rod Mullavey.

“I hope many local businesses get behind the event and enter a team. I may even don the lycra myself.”

Anyone wanting to register a team can contact Johnsons MME for more details. The Lake Hume Cycle Challenge is on Sunday 27 February starting and ending at Noreuil Park in Albury.

For further details:
lakehumecyclechallenge.com.au
johnsonsmme.com.au



An artist's impression of the new Albury Wodonga Regional Cancer Centre