

## GO FOR GOLD IN 2016

### How are you preparing to win in 2016?

*“The key is not the will to win, everybody has that. It is the will to prepare to win that is important”*

- Bobby Knight 1984 Basketball Gold Medallist.

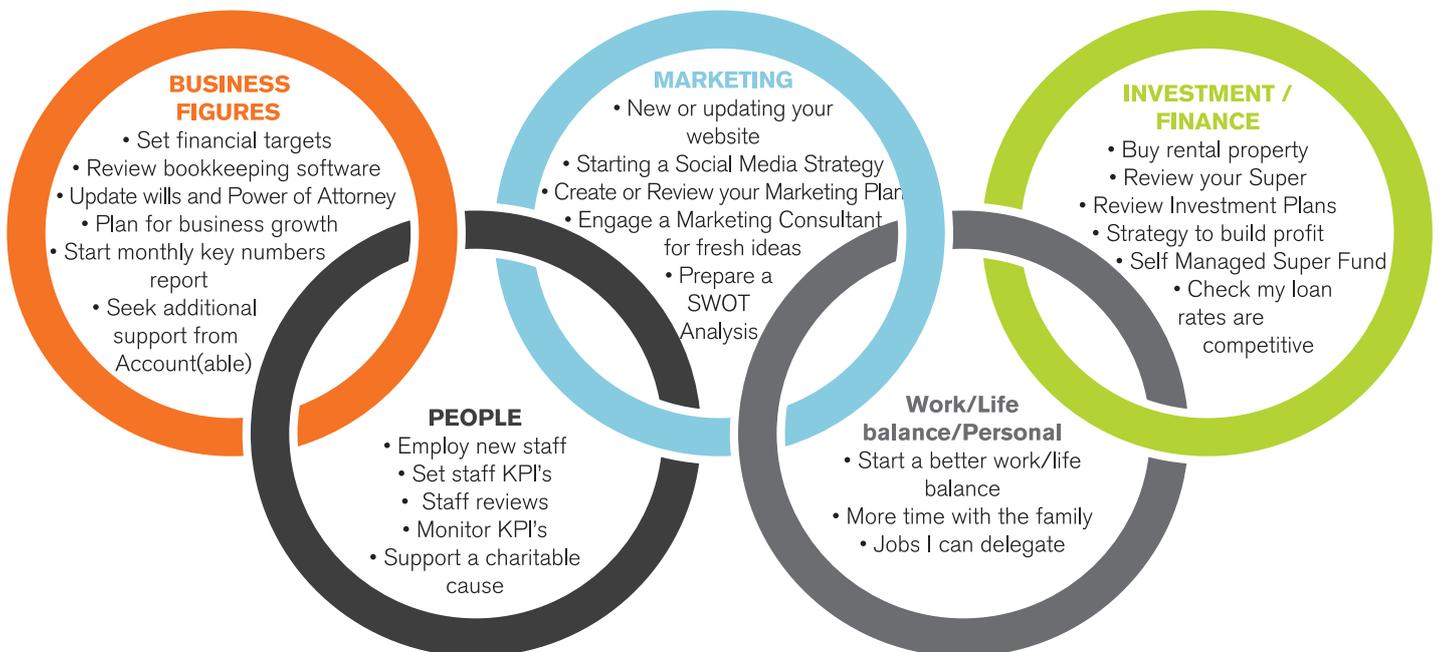
### HAPPY NEW YEAR from all of us at Account(able)

Set new goals now for the year ahead and work on business growth and development to keep your business on track and achieve what it is you set out to do in the first place.

Just as the Olympic athletes prepare themselves for Rio this year we all need to make sure we are prepared in Business for the year ahead. Don't look back and say "I wish I had started on this earlier" DO it NOW!

It is a great time to look at key areas in your business such as marketing, finances; sales, customer delivery etc. How are they performing? How can you improve on these and what steps do you need to take to make these more effective.

To kick start the year along, here are some Key Business Areas and some ideas for each. Use the back of this card to start working on your goals for each area below:



### PLANNING FOR BUSINESS GROWTH IN “2016”

Business growth can take place in many stages. These stages are a cycle, repeating each time you implement a change to your business. Each stage you reach in business requires setting new goals and implementing them so the growth is controlled and properly managed. Which stage is your business in today?

#### 1. Start-up

The business idea is created. Plans are put in place to start operating.

#### 2. Commence

the business plan is complete and targets are established.

#### 3. Operate

the business is operating and coping with any problems that arise. Systems are in place and, ideally, profits are made.

#### 4. Expand

the business matures and needs to expand. Management changes or expands to deal with the size or complexity of the business.

#### 5. Review

The business is very competitive. Activities are regularly reviewed and changed to achieve ongoing success.

#### 6. Diversify

the business diversifies into new markets, products or alliances.

## SAVING AND BUDGETING



Effectively managing your finances helps to ensure you are making the most out of your money, while avoiding unnecessary expenses. It can allow you to plan for and pay off your debts, as well as providing the opportunity to set aside money for particular goals you wish to achieve. A simple way to start saving is to develop a plan.

### WHERE AM I NOW?

Before you start, you need to establish your current financial position – what you earn (income) and how much you spend (cost of living and debts). The amount left over is the potential amount available for saving.

Creating a budget is a sound money management principle and will allow you to accurately assess your expenditure and Savings on a regular basis.

### WHERE DO I WANT TO BE?

When identifying your objectives, remember your short, medium and long term priorities. If you are new to saving, start gradually by establishing a small goal that requires minimal funds. Set a timeframe and a specific amount from each pay to reach your target.

### WHEN IS THE RIGHT TIME TO BEGIN SAVING?

Most of us know the importance of saving, however many procrastinate for months or even years.

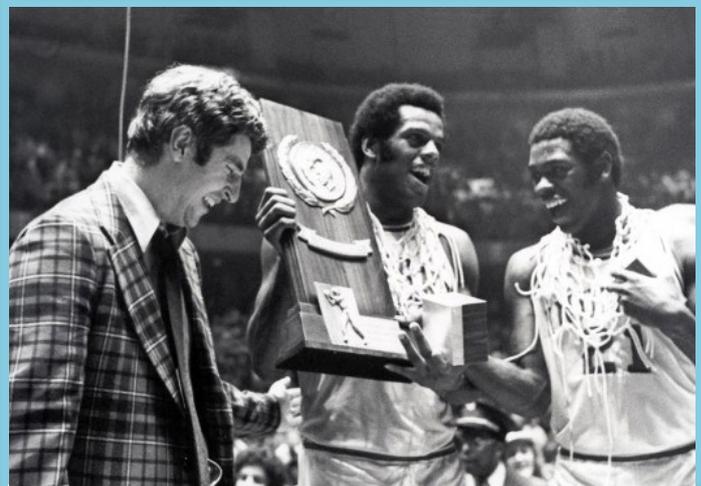
The bonus of starting early is the benefit of compound interest. Compounding is when you reinvest the dividend or distribution you earn on an investment. Over the years, the reinvested earnings will generate additional capital.

Getting into the habit of saving and following a budget can help you achieve financial security now and in the future.

### TIPS ON SAVING AND BUDGETING

- Don't make your budget so stringent that it is impossible to maintain.
- Set realistic goals and a flexible budget.
- If you fail to stick to the budget in one month, try to make up for it the next month.
- Give yourself small rewards for each goal you achieve.
- Regularly review and modify your budget.
- Establish a regular investment plan.

Saving and Budgeting can allow you to successfully manage your money.



## HAPPY NEW YEAR

### How are your personal resolutions going??

The New Year is always a good time to set some new personal goals for yourself and give you a fresh start. An easy way to think about setting goals is to imagine you're planning a holiday. You decide on where you want to go, how you're going to get there and what you're going to do when you arrive. Then when you're still glowing from the feeling of having 'been there and done that', you'll want to start planning your next adventure.

The best way to ensure you meet your goals is to develop smart goals like: improve your health, finances or relationships. Research how much it's going to cost to get there, how will you get there and then track your progress? When you achieve your goal set another and review at the end of the year.

And remember "The key is not the will to win, everybody has that. It is the will to prepare to win that is important" –Bobby Knight 1984 Basketball Gold Medallist.

## TO INCREASE GST OR NOT?



There are current discussions regarding lifting the GST from 10% to maybe 15% which make me wonder how the tax system in Australia (& the world) is changing. Historically, most of our taxes were paid as we earn the money – so we pay our tax on our wages or business profits, better known as income tax. GST was then introduced in 2000 as an additional tax system (and also to abolish over 20 hidden taxes and duties), so we now also pay tax as we spend money, which has been 10% for the last 16 years. One of the many reasons why GST was introduced, was to catch the cash economy. So people may try to avoid paying tax on income they receive by not declaring this cash, however they eventually have to spend this money, which is where the GST comes in to at least collect 10% of tax on most of their spending.

So we are in the transition phase we are going from a tax system that we pay as we earn it, to a tax system that we pay as we spend it. And most countries have adopted this tax system, with trying to find the right balance of paying tax as we earn income plus tax as we spend it.

Does this affect people currently working? Maybe or maybe not. As since GST has come in, personal income tax rates have reduced dramatically. Personal income tax rates in the 2000 tax year were at 47% for income over just \$50,000. So on a \$60,000 income, tax in 2000 was \$18,802 where as in 2015 tax on the same amount it has reduced to \$11,047. So we are hoping that what we now pay

less in income tax, will help offset the extra GST tax that we pay as we spend it.

For people over 65, retired and on centrelink, it maybe a different story. As they maybe not receiving any reduced tax rates, but are now paying GST (which usually the government have compensated with extra pension or other benefits).

For people over 60 and are self-funded retirees, they are still getting benefits, as their super fund pensions are completely tax free now. This also includes any investment earnings the super fund receives also. And if they have any investments in their own name, they may not start paying tax until they earn over \$31,279. So they are now paying no or minimal tax now the GST has come in, which compensates them for the GST they incur when they spend.

So an increase in GST may not automatically result in you paying more tax, due to potential savings to income tax. In further consideration to the minimal income tax retirees now pay as noted above, in recent years many people towards retirement age have invested most of their funds through their super fund to: i) minimise the tax on super contribution from their marginal tax rates down to 15%, and ii) minimise tax when they retire (as pensions and earnings from their super fund have zero tax rates). So with an ageing population, how does the government receive tax off the retirees? Yes, through the GST system will help them still collect taxes from people until well into their 80s and 90s.

### OUR BUSINESS OF THE MONTH PERFORMING ARTS HEADQUARTERS



JohnPaul & Mai Pyin formed Performing Arts Headquarters in 1997.

What grew from the demand for more music, dance and drama opportunities to be provided in Bacchus Marsh John Paul started off as one teacher teaching from home and after being asked to provide a quality piano & guitar teacher in addition to his own skills - our school grew.

Providing an all-encompassing music, dance or drama education & performance opportunity- all from a family friendly, community and experienced home at the Impresario theatre. We also run the community theatre company - open to all members of the community - no experience necessary. The Annual Community Musical Theatre Production is a Bacchus Marsh Institution and JohnPaul & Mai Pyin volunteer all our time and skills to anyone who wants to join in.

Students aged from 3 to 103 can simply learn one skill for fun, or take all there is to offer from performances to exams and workshops. We look, feel and are a friendly family run local school - with a professional contemporary edge. We pay homage to traditional performing arts whilst still remaining current and fresh. We provide world class lessons & professional performance experience with our annual showcase being held at The Cooper's Malthouse in Southbank Melbourne.

Helping people to achieve their dreams, play the song they never thought they could, sing when they were told they couldn't, recite their first monologue, receive their first point shoes, smile when they finish their first performance that may only be 5 notes long, become a professional performer - the ability to create magic and share it is what makes us most proud.

### UPCOMING SEMINARS

#### Xero Bookkeeping March 16th, 2pm & 6pm

Great for small business owners, tradesmen & sole traders. Now your office can be anywhere. Log in on-line anytime anywhere and see up to date financials. No need to process administrative work after hours or at night. No more messy paper based systems. Life can become a lot easier and less stressful for YOU.



April seminar - SMSFs (date TBC)

### CHARITY OF THE MONTH

#### Bluebird House

A team of volunteers and professionals came together and formed Bluebird House which is a non for profit rehabilitation facility in Bacchus Marsh. Its aim is to help those in need of treatment for drug addictions in a practical and positive way. It is a wonderful program that includes a residential, transitional and family support. As most people are aware addiction is a family disease, one person may use but the whole family suffers. We are very grateful to have this much needed facility in our community and are thankful to all those involved in its day to day operations. We hope to raise as much as we can during the month of February, let us know if you would like to contribute in any way.



### REMINDERS FOR YOUR DIARY FEBRUARY LODGEMENTS DUE

- 21 January IAS
- 28 January Superannuation
- 29 December BAS