

Claiming Motor Vehicles Expenses

- by Judie Newton, Senior Accountant

The Australian Taxation Office now only allows two methods for calculating motor vehicle expenses being the cents per kilometre method and the logbook method.

The cents per kilometre method allows the following:

- You can claim up to 5000 business kilometres per car at a rate of 68 cents per kilometre for 2018/19 year (2017/18 is 66 cents per kilometre).
- You do not need written evidence to show how many kilometres you have travelled, but the ATO ask you to show how you worked out your business kilometres. A diary record of work related journeys will suffice.
- The rate covers your running expenses and depreciation.

The logbook method allows the following:

- You to use a business use percentage which is determined by keeping a compliant logbook for a period of at least 12 continuous weeks.
- The business use percentage is applied to all motor vehicle expenses including fuel, insurance, registration, repairs and depreciation.
- When using the logbook method all expenses must be verified with written evidence.
- If you use the logbook method for two or more cars, the logbook for each car must cover the same period.
- Each logbook you keep is valid for five years, but you may start a new logbook at any time.
- If you establish your business use percentage using a logbook from an earlier year, you must keep that logbook and maintain odometer readings in the following year.
- If you started to use your car for business-related purposes less than 12 weeks before the end of the financial year, you can continue to keep a logbook into the next year so it covers the required 12 weeks.



Welcome to our New Staff

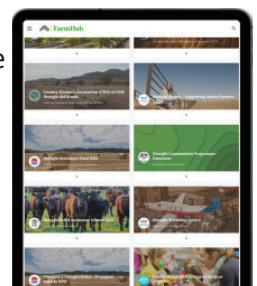
We'd like to welcome two new staff members to the Flor-Hanly team. Donna Saunders and Hannah Cushway started with us in the new year and have settled in well. Donna is one of our Senior Accountants and has a Bachelor of Business degree from CQU and has recently moved from Rockhampton. She brings 26 years of experience with her. Hannah is joining as our Marketing Coordinator and has a Bachelor of Tourism (Marketing) degree from CQU. She has 8 years experience in marketing and is a Mackay local. She brings her knowledge and enthusiasm for the region to our firm.



L to R: Donna Saunders (Senior Accountant) and Hannah Cushway (Marketing Coordinator) at Flor-Hanly.

Flood Assistance for Farmers

The Australian Farmers Hub is a one-stop shop for details on assistance with drought or flooding. It collates hundreds of sources of reputable support and assistance initiatives in one easy-to navigate website. Visit www.farmhub.org.au to find help.



Flor-Hanly Office Closure Dates

The entire Flor-Hanly team will be attending **The 7 Habits of Highly Effective People Workshop**, based on the book by Stephen Covey - considered one of the most impactful books ever written on personal effectiveness, leadership development and change. **The Flor-Hanly office will be closed on Friday 22nd February, Friday 1st and Friday 8th March.** All client correspondence and phone calls will be followed up by our team the next business day.

New Year Resolutions for your Family Business

- by Tony Olsen, Director

The beginning of the year is a good time to take some time to think about what you want to achieve over the long term and put in place some “new year resolutions” for this year. You may like to consider the following approach to do this.

REVIEW WHERE YOU CURRENTLY ARE

- Detail what your current operation is. What are your assets? What land do you own or use? What type of country is it? What is its approximate value? What cash reserves do you have (if any)? What is your plant and equipment? What is the make up and value of your cattle herd? Do you have grain in storage? What off-farm assets do you have?
- What are your liabilities? What bank debt do you have? What equipment finance or leases do you currently have?
- What is your net equity in both dollars and as a percentage of your assets?
- What profit or loss did your business make in the 2018 financial year? What did it make the last six months?
- Who are the people in your business? Are they all family members? What are their ages? Did they all have a holiday last year? How well do family members work together? Do you have family members who are not part of the business? Who currently owns the business? Who is/are the decision makers? What would happen if any of these people died or were totally and permanently disabled today?

WHAT IS YOUR VISION?

Do you have a picture of what you would like your operation to look like in the future? For primary producers their business and personal visions are typically intertwined. When creating your vision, don't fall for the trap of thinking of how you are going to achieve it. Focus on where you want to be.

Start with the long term. 10, 15, 20 years from now, where would you like you and your operation to be? What are your aspirations? Detail what this may look like. It's not an easy process and it may seem impossible to achieve. Having a compelling vision creates a clear picture of the future. It provides you with a line of sight. It helps you set direction.

GOAL SETTING

Now consider the mid-term, say 5 years. Based on your long-term vision, what do you want to achieve over the next five years? It is easier to be more specific over a 3 to 5-year period.

How would achieving each of these “goals” work towards achieving your vision? Some examples might be:

- To reduce debt within 5 years to a level that allows you to buy another property;
- To rebuild cattle herd after the drought;
- To convert 1000 acres of cattle country to cultivation for cropping;
- To bring your family into the business;
- To increase the tonnes per hectare of sugar cane production;
- To retire;
- To accumulate off-farm assets;
- To go on a world trip;
- To do volunteer work in our community;

“Without goals I'm just drifting along”.
Tom O'Toole, Beechworth Bakery.

Now consider the short term. What are your short-term goals for the next year or next three months? How will achieving each of these work towards your medium-term goals and therefore towards your vision?

These are going to be a lot clearer and more matter of fact. They will be actions or projects to implement. If you are wanting to achieve your medium-term goals and work towards your vision, what have you got to do now? What do you need to stop doing and what do you need to start doing?

FINANCIAL MODELLING

Financial models are a very effective way to see what is possible and realistic. Most projects cost money. Instead of “going bull at a gate” without knowing what the impact will be on your cash flow (and long-term viability), modelling can help you plan what can be achieved each year.

“It's not what you know; it's not even who you know; it's what you implement that counts”
The 12 Week Year.

We can have the best plans but if we don't act on them, they are at best only dreams. We are all guilty of failing to stick to our new year resolutions. Putting in place a system to keep you focused is important.

Setting and achieving goals is not easy. Very few people successfully do. There are always distractions and circumstances beyond your control (such as drought). I encourage you to take some time and have a go.

“Those who plan do better than those who do not plan even though they rarely stick to their plan”.
Winston Churchill.

CHARITY SPOTLIGHT

Mackay Food Hand Up

Mackay's Food Hand Up is a local charity providing food parcels and assistance to families in need. The charity opens their doors every Thursday from 9am at the New Life Church on Evans Avenue, but their doors are always open to those in need. Fresh fruit and vegetables, pantry and household items are generously donated by local food suppliers such as Bushmans, Bidfest, Coles and Woolworths. Locals that visit can collect a box and fill it with what they need. A donation is kindly appreciated in return, to allow this project to continue. The Orange Sky van is also available each Thursday providing free laundry and shower facilities. They visit other locations around the Mackay region, check their facebook page for further details.

The New Life Foundation is a not for profit organization, partnering with other organizations to relieve poverty and provide humanitarian aid globally. Additional profits raised from the Food Hand Up project and the Kidz Life playcenter are donated to the New Life Foundation and distributed to the various projects they support, such as the India Banjara Girls School and Hostel (J189). This project assists young Indian girls who would likely be subjected to child femicide, female discrimination and the limited opportunities afforded to women in Indian society. The New Life Foundation began sponsoring the Girls School and Hostel in 2006 and during this time the project has expanded to encompass child sponsorship, education (grade 1 through to university), women's health and education and micro business development. To find out more about the NLF projects or to donate visit www.newlifefoundation.com.au



L-R: Hannah Cushway, Dale Noack and Nicola Bamford from Flor-Hanly visiting Craig Tomkinson and Frank Mason from Mackay Food Hand Up.

Flor-Hanly plan to support this charity by giving our time to help those in need. Pop in and say hello on a Thursday morning. We urge you to consider supporting this local charity by donating your time or dollars. Please contact New Life Church through their website www.newlifechurch.com.au, phone (07) 49534400 or visit them at 75 Evans Avenue, North Mackay.

Fringe Benefits Tax: Do you know your obligations?

- by Nicola Bamford, Accountant

Fringe Benefits Tax is a tax which is levied upon an employer for any private expenses paid for an employee. This includes the following:

- Use of a motor vehicle for private trips, including home to work travel
- Loans to employees
- Provision of housing
- Entertainment expenses
- Home electricity expenses
- Home phone bills
- Private mobile phone bills



The Fringe Benefits Tax year runs from 01 April to 31 March. The current tax rate for Fringe Benefits Tax is 47% on the grossed up value of the fringe benefit. Fringe Benefits Tax is paid by the employer and the employees are not liable to pay tax on any benefits provided. There are a number of methods and exemptions that can be used to reduce the impact of Fringe Benefits tax on your business. For a more in depth discussion about your Fringe Benefits, contact Nicola Bamford or your Flor-Hanly accountant on 4963 4800.



Connect with us

We work hard to achieve the goals of our clients, but we're still a small business that's very receptive to your ideas and feedback. We'd love to know your views on what it's like to work with Flor-Hanly. Feel free to Like or leave us a Review on [facebook.com/FlorHanly](https://www.facebook.com/FlorHanly) or on Google MyBusiness (search for Flor-Hanly Mackay).



Flor-Hanly Clermont Visits

Our team visits Clermont each month. If you'd like to discuss your business needs, **call us today for an appointment!**

KEEP up to date with our CLERMONT VISITS and latest news on our FLOR-HANLY FACEBOOK PAGE

Client Feature

Eungelladale

Eungelladale Dairy is run by Dale and Paula Fortescue from their farm at Broken River, Eungella. They are one of the last dairy farms in the region to produce fresh pasteurized milk.

The factory has been setup to enable them to undertake the whole process on the farm, instead of their milk being transported to be pasteurized and bottled elsewhere. It allows Mr Fortescue to provide 100 per cent local milk to the region. The milk is currently distributed as far as Airlie Beach to Clairview and Dysart.

Dale has plans to open a cheese factory. "It's more for tourism in the local area up at Eungella here". He hopes his factory will help expand the dairy industry in the Mackay region.



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Just go to our website and click on the Pay My Bill link on our homepage and you'll be directed to our secure online payment facility. You can pay by: Credit Card, EFT or by Monthly Instalments using a loan from QuickFee. Its quick, safe and easy. All transactions are processed by our payment gateway partner and therefore appear as "QuickFee" on your bank or credit card statements. Please call our office and speak to Lynda if you would like to know more.

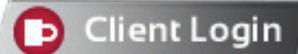
ATO guide to the 5 most common Tax Time mistakes

As Tax Time 2018 progresses, the ATO has profiled the five most common mistakes and the personalities most likely to have tax time trouble. The top five mistakes include taxpayers who are:

- Leaving out some of their income (e.g. forgetting a cash job, capital gains on cryptocurrency, or money earned from the sharing economy);
- Claiming deductions for personal expenses (e.g. home to work travel, normal clothes or personal phone calls);
- Forgetting to keep receipts or records of their expenses (around half of the adjustments the ATO makes are because the taxpayer had no records, or they were poor quality);
- Claiming for something they never paid for - often because they think everyone is entitled to a 'standard deduction'; and
- Claiming personal expenses for rental properties - either claiming deductions for times when they are using their property themselves, or claiming interest on loans used to buy personal assets like a car or boat.

For those intending to push the boundaries, or perhaps fudge some parts of their return, the ATO has them in its sights.

Client Portal



The Flor-Hanly Client Portal offers you a much more efficient and secure way to send, receive and sign important documents. With just a few clicks, you can quickly and conveniently view the confidential documents we send you, electronically sign your tax returns and other documents and upload any document you like from anywhere, anytime. Using the Flor-Hanly Client Portal offers you a greater level of online security than sending documents via email or standard post and, because the portal can accept any size document, it's much faster too. To get started, simply give us a call and we will send you an email invitation with a link and instructions to create your login password. Further details available on the website.



FLOR-HANLY
commercial & agribusiness accountants

6 Discovery Lane Nth Mackay

E: admin@florhanly.com.au

Ph: 4963 4800

www.florhanly.com.au

