

CLIENT FOCUS:

HYTEK: MAKING AN IMPACT

Hytek — a steel framing innovator — is gaining rapid traction in the construction market place.



HYTEK IS A HIGHLY ADAPTABLE steel framing system that allows complete design flexibility. Hytek specialises in domestic, commercial and architectural steel frame solutions in Brisbane and South East Qld.

As the newest addition to the Textor Group, Hytek has been met with immediate industry support and is already supplying the framing for 3 plus constructions per week. Perfecting the Hytek light gauge steel framing solution involved considerable industry experience, a number of years of research and development and a determination to bring a technical product that allows for easy and precise construction to the industry.

To ensure accuracy from the start to the finish of the manufacturing process, Hytek utilises 3D design and detailing software that connects directly into Hytek's manufacturing facilities

to produce dimensionally correct (guaranteed) steel frames within +/- 1 mm of design specifications.

"We wanted to bring a new type of steel framing solution to the construction market" explains Scott Textor, group Managing Director. "A solution that is ridged, reliable, accurate, quick and easy. Also we wanted the ability for the industry to customise the steel frames to suit their building processes."

The assistance provided by Stanton Mienert in the Hytek journey was acknowledged and appreciated by Scott. "From assisting us with the Research & Development Tax Incentive claim, through to ensuring the correct business structures for Hytek were in place, Russell Mienert and his team has provided us with ongoing support that has been appreciated and valued."

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Scott Textor understands the value of ongoing support. With Hytek, ongoing support is offered to its customers from initially providing pre-design and framing construction support through to working with the engineers to organise connection and fixing details. Additionally, Hytek can arrange engineering and certification if required.

The Textor Group is bringing its 50 years of manufacturing experience to Hytek. With full ISO 9001 accreditation, detailed systems and processes, Hytek is an important entrant into the construction and framing industry.



FOREIGN RESIDENT CAPITAL GAINS WITHHOLDING: NEW CLEARANCE CERTIFICATE REQUIREMENTS

Property Purchasers and Sellers need to be aware that new rules will apply to vendors disposing of certain taxable Australian property under contracts entered into from 1 July 2016.

A 10% NON-FINAL WITHHOLDING WILL be incurred on these transactions at settlement where the market value of the property is \$2 million or more.

The withholding tax legislation applies to the following asset types:

- Vacant land, buildings, residential and commercial property;
- Mining, quarrying or prospecting rights where the material is situated in Australia;
- A lease over real property in Australia;
- Indirect Australian real property interests in Australian entities whose majority of assets consist of the above asset types;
- Options or rights to acquire any of the above asset types.

Australian resident vendors selling real property will need to obtain a clearance certificate from the ATO prior to settlement to ensure they do not incur the 10% non-final withholding.

A credit may be claimed for the amount paid to the Commissioner in the vendor's tax return where the capital gains tax is assessed.

Australian resident vendors can

avoid the 10% withholding by providing one of the following to the purchaser prior to settlement:

- For Australian real property, a clearance certificate obtained from the ATO;
- For other asset types, a vendor declaration that they are not a foreign resident.

Foreign resident vendors may apply for a variation of the withholding rate or make a declaration that a membership interest is not an indirect Australian real property interest and therefore not subject to withholding.

Purchasers must pay the amount withheld at settlement to the Commissioner.

An application for a Clearance Certificate can be made online with the ATO.

Vendors expecting to settle property worth more than \$2 Million from 1st July 2016 should apply for a Clearance Certificate immediately.

Should you have any questions or require assistance to apply for a Clearance Certificate, please contact our office.



Also under the Textor Group umbrella is Textor Metal industries (TMI), which has been providing exceptional cold rolled steel products since 1963.

Not only can TMI supply stock lengths of standard products, including Angle, Channel and Purlin, TMI can also meet the specific needs of the construction industry by rolling and cutting to length utilising its flexible rolling technology.

TMI is a market leader in the construction industry and through its platform of innovation is continually bringing unique and relevant products to the market place.

Further details on Hytek can be found at their website at www.hytekframing.com.au. And you can find more information on Textor Metal Industries at www.textor.com.au.

MODERN AWARD WAGE UPDATE BY JILL HIGNETT

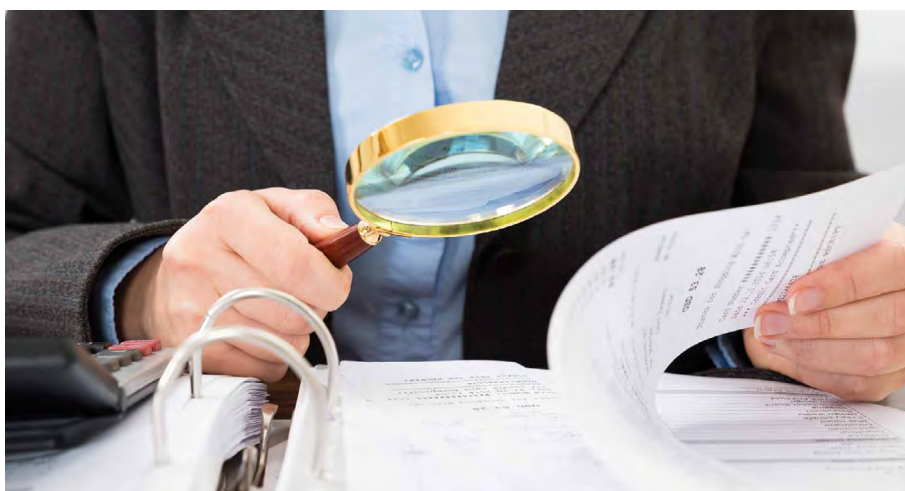
THE FAIR WORK COMMISSION REVIEWS the national minimum wage each year, with the new minimum wage taking effect from the first full pay period on or after 1 July. In addition, the Commission reviews and updates the wages in the Modern Awards, which similarly increase from the first full pay period on or after 1 July each year.

On 31 May 2016, the Commission released its Annual Wage Review decision for 2016. On Thursday 9 June 2016, the Commission released its draft determinations to adjust the wages in the Modern Awards. These

will be finalised in coming weeks, prior to the 1 July commencement.

Now is the time for you and your clients to review the current wage rates to ensure that they sufficiently cover the rates payable under employment contracts, Modern Awards or Enterprise Agreements, prior to the new rates commencing. We would be happy to assist you or your clients with this task, should you or they so require it.

Should you have any questions or require assistance, please contact Jill Hignett at HR Lawyers on 3211 3350 or at www.hrlawyers.com.au.



TAX HIT LIST: EXPENSES UNDER THE SPOTLIGHT FOR 2016

THE ATO INTENDS TO TARGET deductions for rental properties, work-related expenses such as travel, mobile phone, car or internet usage and cross-check data from third parties as it targets false claims for 2016.

Areas targeted include:-

- Double-dipping i.e. making work-related claims in your tax return when you have been reimbursed by your employer already.
- Excessive work-related claims – e.g. claiming a high percentage of mobile phone/internet bills or travel where the claims cannot be substantiated. Also included are work-related motor vehicle claims.
- Claiming rental property deductions on repairs and maintenance where there is no entitlement a deduction e.g. capital improvements made shortly after purchase of a rental property.
- Car-share organisations such as Uber.
- Holiday homes reserved for private use by family and friends i.e. claiming a full tax deduction for interest and other running expenses where the property is not genuinely rented or available for rent (note: this is very easy for the ATO to identify).
- Cases where a husband and wife jointly owned a rental property but split the income and deductions unequally to gain a tax advantage for the higher income earner.

The ATO indicated last financial year it reclaimed \$950 million after auditing deductions and claims made by taxpayers, and it intends to do the same this year.

ATO'S CONTINUING FOCUS ON TRUST PROPERTY DEVELOPERS

IN RECENT YEARS, THE ATO has focused on trusts developing and selling properties as part of their normal business.

When these developed properties are sold, some trusts incorrectly claim a 50% CGT discount.

As part of the Trusts Taskforce, the ATO has escalated 75% of the cases reviewed for audit and has received voluntary disclosures. The ATO will continue to target arrangements that display the following characteristics:

- Clients have experience in either developing or selling property (or experience in the industry) and establish a new trust to acquire property for development and sale;
- Circumstances surrounding the arrangement are inconsistent with the stated purpose of developing the property as a long-term investment;
- The development is advertised as available to purchase before completion or is sold soon after completion; and
- The trustee claims the 50% capital gains tax discount on the sale of the property.



ATO EXTENDS SUPERSTREAM COMPLIANCE DEADLINE

FOLLOWING RESEARCH INDICATING SMALL BUSINESS entities are falling behind on their SuperStream obligations, the ATO has extended the deadline for small businesses to become SuperStream compliant.

The ATO announced it will give SMEs until 28 October 2016 to comply with the new SuperStream requirements.

INCREASING YOUR SLICE OF THE PIE

BY TIM LUNN



Whether your market is expanding or contracting, there are ways to increase your 'slice of the Pie'. Work smarter than your competitors and take that larger slice.

Here are some key ideas to help you and your business increase your revenue in both good and bad times.

- Know your core product — make sure that you, your staff and your market know what you offer better than anyone else. And keep this message consistent and constant.
- Offer customisation where possible — this allows your business to fill market niches and to focus the conversation on product solutions not price.
- Innovate, innovate, innovate — stay ahead of the product curve through innovation. Get your key customers involved in the innovation process, this will allow your business to not only release relevant products into the market, but will also gain a higher level of buy-in and support from those key customers involved in the process (take advantage of the R&D Tax Incentive).
- Don't forget to include your suppliers in the innovation process.

Suppliers can bring fresh ideas and their own resources to your product development. Including suppliers at an early stage of product development creates closer links and can be very advantageous when it comes to identifying potential purchasers of your business when it is time to sell.

- Sell more to existing customers. You have already got their trust and contact details, what else can your business bring to existing customers?
- Make your Pie bigger — Find new markets that will be attracted to your core product offerings. Your suppliers can also be a big help in this regard. Just ask them what other markets would be interested in your products.

Contact us if you would like to take advantage of any of these recommended strategies and to see how they can be applied to the specific requirements of your business.

PAYROLL TAX REBATE FOR APPRENTICES & TRAINEES (QLD) — 19 JULY 2016

THE QUEENSLAND GOVERNMENT HAS ANNOUNCED that it will increase the payroll tax rebate for employers employing apprentices or trainees from 25% to 50% for 12 months with effect from 1 July 2016, ie for the 2016/17 year. The rebate will apply to all apprentice and trainees, including those hired under the scheme.

Queensland Treasurer Mr Curtis Pitt said more than 2,400 businesses had claimed the original 25% rebate since it was introduced last year, proving its popularity.

Source: Joint media release of the Premier and Treasurer, 19 July 2016.

ATO SCAMS: BEWARE!

WE RECENTLY HAD A NUMBER of clients contact our office concerned about threatening telephone calls apparently made from the ATO — please be aware, these calls are a scam!

The calls generally take the form of a scammer impersonating an ATO Officer threatening an arrest warrant unless immediate payment of outstanding tax debts are made via a cash transfer or.....believe it or not..... payment by iTunes gift cards!?

The ATO will never contact you by telephone or email demanding payment of tax debts.

If, in the unlikely case the ATO does issue a Statutory Demand for payment of outstanding tax debts, the documentation will take the form of a written service of notice and will be physically served in person by an ATO representative at our office given we act as registered tax agent.

If you receive a call from the ATO, best option is to either refer them to our office or terminate the call.

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