



## CLIENT FOCUS:

# TASTE OF A BALANCED LIFESTYLE

The Broadbent family changed their lives in more ways than they could foresee when they opted to sell their Brisbane lifestyle and re-fire their lives in Stanthorpe.

DAVID AND LORI BROADBENT, along with their son Luke, had been holidaying in the Stanthorpe district for years, taking advantage of the ambience and relaxed pace the region had to offer. With an interest in and love of wine, David and Lori were amazed at how the region had come-of-age in terms of the quality of the wine on offer.

The couple fell in love with the Granite Belt — they felt such a connection with the area that in 2016 they decided the place that they liked to spend relaxing in their downtime should be the place they call home.

Fortune came their way, when the opportunity arose to purchase a premium vineyard with huge potential in the area. They seized the opportunity and have embarked on a journey

that has brought them life changing experiences.

The decision to move to the Stanthorpe region has re-fired their lives and has landed them in a



local community of small businesses all working together to lift each other and their region. Soon after purchasing the vineyard, David and Lori established the Balancing Rock brand. The label takes its name from the amazing natural granite structure which sits among the Broadbent's premium Shiraz vines.

Balancing Rock Wines is set on a 100 acre property just south of Ballandean, in the highest elevated wine district in Australia. There are 22 acres under vine with 14 different varietals, including the only Sagrantino on the Granite Belt. Sagrantino is an Italian variety red wine from Umbria in Central Italy. All of the wines are estate grown, hand-picked and come from Balancing Rock earth.

The winery has teamed up with the Australian Society of Viticulture's 2017 Winemaker of the Year, Mike Hayes, who makes all of Balancing Rock's wines, to great success. Balancing Rock's Reserve Sagrantino has entered two awards and has come away with a Gold Medal from both, the 2017 Australian Small Winemakers Show, and 2017 Australian Alternative Varieties Wine Show.

Balancing Rock also has a lovely Campfire Series of wines — a Red, which is 100% Shiraz and a white made in Moscato Style.

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Their sparkling wine, Chardonnay/Pinot Noir blend, has a lovely soft pink/blush colour, with a gentle fizz and is proving to be a winner at the Cellar Door.

David and Lori Broadbent have been clients of Stanton Mienert for almost 10 years and we are thrilled to witness their success. Making the change from living and working in Brisbane as owners of a successful administration management company for almost 20 years to starting afresh in

a new industry, has been "challenging".

Now engaged with the local community, David and Lori are enjoying the fitter and healthier lifestyle, the social invitations they are receiving and the ability to learn something new every day. And they're inspired by the stillness and effervescence of the landscape, the hills, the sunsets and life in the vineyard, which re-establishes their "Passion For Good Wine and a Balanced Life".



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## UNIQUE DIRECTOR IDENTIFICATION NUMBERS TO WIPE OUT ILLEGAL PHOENIX ACTIVITY

The Government will soon introduce a unique Director Identification Number ("DIN") to combat illegal phoenix activity and to curb the activities of pre-insolvency advisors who will also be targeted and potentially held liable for their advice.

AS PART OF THE REFORMS, the Government is consulting on widening the scope of Directors personal liability to include GST liabilities as part of the Director Penalty provisions.

It is likely that personal liability for unpaid GST will operate in a similar way to current Director Penalty Notices that currently apply to unpaid PAYG and Superannuation i.e.

- If a Director does not report by lodging a BAS return within 3 months of the due date for lodgement, an automatic personal liability will apply for a Company's unpaid GST debt as well as its unpaid PAYG and Super debts.
- Where a Director does report within this 3 month period, they will be able to avoid personal liability for the various company tax debts provided the Company is placed into liquidation within 21 days of the date on the Director Penalty Notice.

The Government's consulting on Personal liability for directors with unreported and unpaid Company GST debts is a significant development that all Directors must be made aware of.





# SINGLE-TOUCH PAYROLL

The Government has announced Single Touch Payroll reporting will commence from 1 July 2018.

**WHAT DOES THIS MEAN FOR EMPLOYERS?** If you have 20 or more employees you will need to report to the ATO through a payroll software that supports Single Touch Payroll from 1 July 2018.

If you have 19 or less employees, it is optional to report through Single Touch Payroll for now however the Government has announced it will extend Single Touch Payroll to employers with 19 or less employees from 1 July 2019 (subject to legislation being passed in parliament).

**WHAT ARE THE REPORTING CHANGES?** When you pay your employees through your Single Touch Payroll-enabled solution you will be reporting payments such as their salaries and wages, allowances, deductions (for example, workplace giving) and other payments, pay as you go (PAYG) withholding and super information to the ATO at the same time.

Your payroll cycle does not need to change. You can continue to pay your employees weekly, fortnightly or monthly. You may have different pay cycles for different employees. It simply means that when you complete your payroll, the tax and super information for each employee will be sent to the ATO. This is a



more streamlined way of reporting to the ATO.

There are also changes to the way super funds report to the ATO. Funds will be required to report the allocation of employer's super contributions as they occur (known as event-based reporting). This will create near real-time visibility of non-payment or late payment of super guarantee and enable the ATO to take prompt action. This reporting change will start from 1 July 2018 depending on the implementation dates of individual funds.

## CLEARANCE CERTIFICATE REQUIRED FOR PROPERTY SALES OVER \$750,000

AS A REMINDER TO CLIENTS, anyone selling real property from 1 July 2017 with a sale price of \$750,000 or above will have 12.5% withheld from their sale proceeds and remitted to the Australian Taxation Office (ATO) by the purchaser, unless the seller holds a Clearance Certificate.

These changes apply to Australian resident individuals (includes sale of your home or a residential investment property) in addition to foreign residents. The previous threshold for properties was a sale price of \$2 Million and above and only a 10% withholding tax applied.

Whilst the withholding tax will be credited back to the seller when they remit their tax return, the loss of cash flow from the property may pose a funding problem for the seller.

All Australian residents selling a property with a sales price above \$750,000 will need to apply for a clearance certificate from the ATO to avoid the withholding tax being applied at settlement.

The majority of solicitors are across this requirement however clients are advised that clearance certificates can take a number of weeks to issue from the ATO hence best to apply for a clearance certificate well before settlement!

Clearance certificates are valid for 12 months, and can be used by the same vendor for the sale of multiple properties while valid.

## AUDIT INSURANCE LETTERS

AS PART OF OUR SERVICE offering to clients, Stanton Mienert has recently taken out an audit insurance policy with Audit Shield (underwritten by AAI Limited).

The policy is held in the name of our practice. Participation in the cover is not automatic. Letters of offer to participate in Audit Shield cover are being sent to all clients in the next couple of weeks. There is no compulsion to participate in the cover.

The letter to participate also includes explanatory material listing full details of the cover. We note the cover is retrospective and includes all of your group entities excluding self-managed superannuation funds (SMSFs require separate cover).

Given an industry wide increase in the amount of federal and state audit activity, we strongly recommend all business clients hold adequate audit insurance.

Via way of a recent example, a client received a retrospective GST audit that covered multiple financial years. This audit was conducted over a period lasting 14 months and cost the client \$25K for our services. A \$1615 Audit Shield policy would have covered the cost of the audit in full.

Should you have any questions in relation to the letters to participate please contact our office.

## PAYG TAX INSTALMENT VARIATIONS – ATO ISSUES WARNING LETTERS

THE ATO HAS RECENTLY RELEASED warning letters to taxpayers where they have a tax shortfall as a result of varying their quarterly tax instalments down from the ATO nominated rate.

Where a variation is less than 85% of the amount that should have been otherwise remitted as PAYG tax instalments (as per ATO nominated rate/amount), the ATO may impose a general interest charge (GIC) on the shortfall. GIC is currently 8.72%



## AWARD WINNING KITCHEN DESIGNS

A BIG CONGRATULATIONS to Kitchen Gallery for taking out two prestigious awards at the 2017 HIA + DIA Brisbane Kitchen Bathroom & Interior Design Awards. Kitchen Gallery won two categories: "New Build up to \$50,000" and "New Build up to \$30,000". Kitchen Gallery have been a long standing client at Stanton Mienert.



## SALARY SACRIFICE INTEGRITY MEASURES

SCHEDULE 2 OF THE BILL amends the Superannuation Guarantee (Administration) Act 1992 to ensure that an individual's salary sacrifice contributions cannot be used to reduce an employer's minimum superannuation guarantee contributions.

The amendments provide that amounts an employee salary sacrifices to superannuation cannot reduce an employer's superannuation guarantee charge. Salary sacrificed amounts will also not form part of any late contributions an employer makes that are eligible to be offset against the superannuation guarantee charge.

The amendments introduce the concept of the "quarterly salary or wages base". This concept applies to an employer in respect of an employee and is the sum of the total salary or wages paid by the employer to the employee for the quarter, and any salary or wages amounts of the employee for the quarter in respect of the employer that have been sacrificed into superannuation. The inclusion of sacrificed salary or wages amounts ensures that the shortfall and charge is calculated on the pre-salary sacrifice base and that employers cannot calculate their superannuation guarantee obligations on reduced salary and wages.

These amendments apply when calculating an employer's superannuation guarantee shortfall for quarters beginning on or after 1 July 2018.

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## THE NUMBERS MAKE CENTS

BY TIM LUNN

An entire management consultancy industry has sprung up on the back of a common-sense equation. For example, with a small increase to sales of 5% and minor decreases in cost of goods sold and expenses of 2%, the profit under the below example has lifted from \$15 to \$22, representing a 45% increase to profit.

BEFORE		AFTER	
Sales	\$100	Plus a small increase of say 5%	\$105
Less cost of sales	\$50	With a small decrease of say 2%	\$49
GROSS PROFIT	\$50	GROSS PROFIT (AFTER)	\$56
Less expenses	\$35	With a small decrease of say 2%	\$34
<b>NET PROFIT</b>	<b>\$15</b>	<b>NET PROFIT (AFTER)</b>	<b>\$22</b>

What strategies could you put in place to increase sales?:

- A price increase?
- Targeted marketing?
- Selling solutions? – Making the invisible, visible
- What else?

What about a decrease to the cost of sales?:

- Arranging for early payment discounts with suppliers?
- Renegotiating volume discounts?
- What else?

And what about expenses?:

- What could you do to create a slight reduction in expenses?

With a little bit of thought and action, small changes can lead to big dividends.