



# ON THE PULSE

## Preparing for an ATO Audit - Don't Panic



Does panic set in the moment you receive a call from the ATO or your Accountant telling you that you are about to have your taxes audited? If it does, and you are getting stressed just stop and breathe. Many times, its not what you think it is and you may have a few options on the table should you undergo an audit anyway.

The process generally starts with ATO asking you some questions. It is advised to understand the questions before answering, referring to your records or consulting your accountant is the best way to do so. Before answering all the questions, its important to understand the difference between **an Audit** and **a Review**.

**Reviews** assess if there is a risk that you are not complying with your obligations. If substantial evidence of not meeting obligations are discovered ATO may adjust the discrepancies by conducting **an audit** which means you may owe ATO money or they may owe you. In this case penalties may apply.

### How to prepare for an Audit?

- **Review** your tax position, making sure

you are happy with the way you've done your taxes.

- **Make** sure you have all the supporting information (such as receipts, invoices etc.) that are required by law.
- **Once** you've done the above, answer the ATO's questions factually and without emotion.
- **Answer** honestly all the specific questions they've asked and not volunteer more information than is necessary.

The ATO prefers to work with you and obtain the information cooperatively. They will collect & analyse the information, try to help you understand the issues and explain the purpose of the examination.

Often the ATO will ask for heaps of information and frustratingly enough, for further information later. You shouldn't read too much into this. This may be done because the ATO's internal timelines require them to complete an audit to a certain stage and by a specified date.

Sometimes, due to resource constraints, the ATO may not have enough time to read through your material, so they may ask for something else from you. This is often a good strategy to buy more time to do the work. It is good to remain mindful of this as it's important to know that extra information requests aren't always a reason to panic.

The ATO may claim that you owe more than you think you do but this doesn't necessarily..

## At A Glance

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*"We crossed to Fortuna and were not only impressed by the professional and organized set up Fortuna had then, but 3 years later even more so. We underestimated (due to past experiences) just how diligent accountants could be, and have continued to be impressed by avenues Dinesh and the crew have looked at to help our business grow, be more efficient or become more organized.*

- Josh Sweetman

Director  
Sweet As Concrete



## Did you know that 30% of Australians are only six paydays away from homelessness?



To get tickets visit: [FortunaFoundation.org.au](http://FortunaFoundation.org.au)

  
Positive Spin

Join us for a fundraising dinner and help provide clean clothes and bedding for the homeless.

# Don't Miss

## Deadlines:

<b>30 June</b>	Official end of the 2019 fiscal year
<b>30 June</b>	Super guarantee contribution payment to qualify for tax deduction in '18-'19 FY
<b>1 July</b>	Beginning of 2020 fiscal year. Self lodgements have until <b>31 October</b> to lodge tax return.
<b>16 July</b>	Estimated date for the issue of rebates from the previous year
<b>31 Oct</b>	2019 FY Tax lodgement deadline for self lodgement
<b>15 Jan</b>	Income tax returns for companies, trusts & businesses due (Income < 10mil)
<b>21 Feb</b>	Lodge and pay Jan 2018 monthly activity statement.
<b>28 Feb</b>	Lodge tax return for non-taxable large/medium entities as per the latest year lodged (except individuals).
<b>31 March</b>	Tax Returns for companies/SMSF with income > \$ 2 mn.
<b>21 April</b>	March '20 IAS
<b>15 May</b>	2019 Tax Returns for all remaining entities

mean that the ATO is 100% correct 100% of the time. There may be a case officer who doesn't specialise in the area who is assigned to the case and provides an opinion. Additionally, you can always dispute the audit result if you are not satisfied with the outcome.

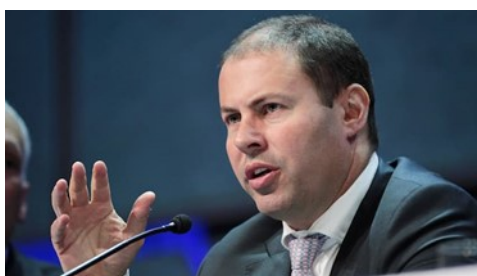
## How can you avoid an audit by ATO?

- **Industry Targets and Benchmarking**
- **Business Records keeping**
- **Separate your private financial affairs from business affairs.**

If you are unsure about any of these steps or need a second opinion, talk to your Accountants as they have years of experience that can make the process a lot easier on you .

# Industry Trends & Updates

## Government announces additional funds to boost small business loans



The Federal Government will pump \$2 billion into a fund to help Australia's small banks free-up lending to the country's three million small businesses and boost job creation across the country. Treasurer Josh Frydenberg announced a business funding package in response to widening concerns that the big banks were freezing out small business in the wake of criticism of the sector at the royal commission into banking.

( Source: Perth Now)

## Govt set to shake up Superannuation

The government has signalled a major overhaul of the superannuation sector. The assistant minister for Superannuation and Financial Services set a deadline of 2021 as the year the compulsory superannuation guarantee could be set to rise from 9.5 to 10 per cent. Changes include reintroducing legislation to make all superannuation opt-in for under-25s, saving nearly \$2.6 billion in fees

(Source: Perth Now)

## \$11.6m program to aid small business power bills



78 per cent of businesses have seen their energy costs increase in the past two years. This rise in energy prices is damaging small businesses by reducing profitability. Government pressure on retailers has already resulted in lower power bills by up to 10 per cent from January 1, 2019 for more small and medium businesses in Australia. That said, the federal government has launched the Business Energy Advice Program, which will help small businesses find the best energy deal and identify opportunities for them to use energy more efficiently.

(Source: The Sunshine Coast Daily)



## Relief for small businesses

The Government is increasing the instant asset write-off threshold to \$30,000 from \$25,000 and expanding access to medium-sized businesses with an annual turnover of less than \$50 million (an increase from the previous \$10 million cut-off amount). These changes apply from 7:30pm (AEDT) 2nd April 2019 to 30 June 2020.

(Source: The WA Today)

# Biz Quotes

On recommendation from a client, we included this 'Inspirational Quotes' section. If you come across something you like, please send it to [admin@fortunaadvisors.com.au](mailto:admin@fortunaadvisors.com.au) for the next issue.

“

Don't find customers for your products, find products for your customers..

-Seth Godin

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# Among Our Valued Clients

## GET Trakka

With a long history of innovation in the mining sector, GET Trakka monitors Ground Engaging Tools (GET) in real time and provides immediate breakage alarms, every time. The Balcatta based company takes a unique global approach to solving complex mining problems by designing and manufacturing a rugged state-of-the-art sensing solution for all mining conditions. Detecting and alerting of GET breakages in harsh mining conditions.

GET Trakka, is unique that it monitors all digger GET components, bucket usage and wear to significantly improve asset productivity, optimize maintenance schedules and reduce operational costs.

Nominated as finalists in the WA Innovator of the year Awards (2011), their continued focus on origination and bespoke solutions assure customers that the most high-tech and novel technologies are at work to deliver positive results amid severe excavating conditions.

The company also offers a flagship solution called 'Productivity Plus'.

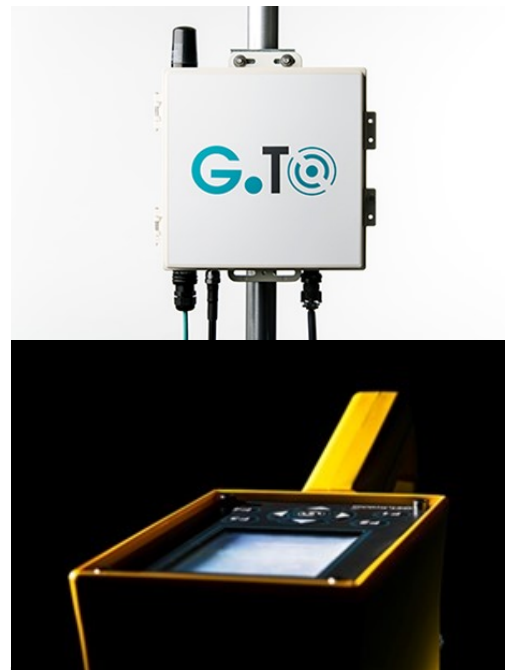
The 'Productivity Plus' service provides real-time insights into actionable information by reporting on the GET and digging data captured through the embedded wireless sensors.

GET. Trakka supports their technology through wide array of services including:

- Project Management
- Installation and commissioning
- Site Troubleshooting
- Training
- Warranty Service
- Help Desk

With GET Trakka, you can rest assured that they will work with you to provide solutions that optimize your digging assets while providing up-to-date analysis and reporting for production, maintenance and supply chain.

Whether it's maximizing asset production, optimizing maintenance activities, improving supply chain efficiencies or increasing safety by reducing risk and exposure, they will work with you, customizing their system to fit your needs.



## From the Owners' Desk

**What makes your organisation different from any others?**

We are the only company in the world to have succeeded in developing an embedded sensor technology solution to solve the problem of GET breakage detection.

**What is the toughest challenge that your organisation has been faced with and how did you overcome the same?**

Commercializing the solution has been our greatest challenge as it is for most companies. Through the financial support of Commercialization Australia we were able to bring our product to market and achieve commercial success with local and international clients.

**What is your agenda/ vision for the business over the next 3 to 5 years?**

Continue to drive our R&D program alongside our business development

initiatives to penetrate the mining industry globally and be the defacto technology standard for GET in mining equipment.

**What can small and medium business owners learn from your organisation?**

If you believe in your ideas and vision than persevere.

**Fortuna has been acting as your Accountants & Business Advisors. What do you feel are its key contributions toward your business?**

Fortuna are a solid and reliable accounting group with a strong understanding of the requirements of small and medium businesses. They are responsive, easy to deal with and a great source of knowledge.



**Ian Hamilton,**  
Managing Director

**GET.Trakka**

4/199 Balcatta Rd

Balcatta WA 6021

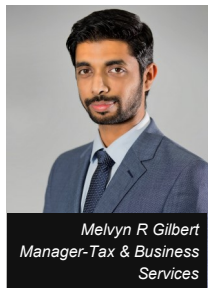
W: <http://www.gettrakka.com.au>

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# Tips from the Expert

## Financing your entrepreneurial venture – An overview



"I often come across clients who struggle to take off due to a lack of funding. This article is an attempt to clarify some key concepts and information on funding that aspiring entrepreneurs should familiarize themselves with"

Australia has a comparatively high percentage of people who are currently aspiring to start their own business over the next 5 years. There is a variety of funding methods available to entrepreneurs, however, not every funding methods are suitable or available for every business.

### Using debt or equity financing; or mixture of both

**Equity financing** is money invested in the venture with no legal obligation for entrepreneurs to repay the principal or to pay interest. It does, however, require sharing the ownership and profits with the funding source.

**Debt financing** involves a payback of the funds plus an interest for the use of the money. It places a burden of repayment and interest on the entrepreneur. The decision of choosing right source for financing depends on the stage of development the venture is in.

### Stages of your businesses' development

**Stage 1 Seed:** The entrepreneur in this stage is discovering who their customers are, how to reach them and is developing their product to create product-market fit. The possible financing options here could be firstly, **Founders financing** that involves funding the project by oneself. Secondly, **Informal investors** could be engaged. These include neighbors, work colleagues or strangers. Lastly, choosing an **accelerator program** could help entrepreneurs attain finance in seed stage.

**Stage 2 Start-up:** An entrepreneur in this stage is developing strategies to scale the business. This might involve spending lots of cash for business development. The sources of funding at this stage could be firstly, **Crowd Funding** which involves raising contributions from many people, usually via an internet based crowdfunding platform such as



**Kickstarter.com, GoFundMe or Indiegogo.com.** Crowdfunding campaigns tend to work best for product-based start-ups. Secondly, **Angel investment** could be considered. Angel investment is equity funding provided by high net worth individuals who generally fill the start-up financing gap between seed financing and venture capital. This financing strategy may have drawbacks because business angels prefer their say in running the business, which may sometimes become challenging for the entrepreneur, especially if the angels have limited knowledge in the field of business.

**Stage 3 Early growth:** This stage involves the entrepreneur as he is developing systems to grow the firm. Funding sources at this stage could be firstly, **commercial banks** as the business may be sufficiently established at this stage to be able to access business loans and other products supplied by commercial banks. This is a debt financing option and it is always wise to take professional help from experienced mortgage brokers for this. Secondly, **Venture capital** alternative can be explored. This is like Angel Investment and is usually done in stages called rounds; more investment is released once the venture has reached certain milestones.

**Stage 4 Established Ventures:** This is the stage where the firm has grown sufficiently and now needs corporate management and financing. Funding alternatives for this stage could be the **Private equity** funding firms. Private equity firms are investment managers. Much like VC firms, they raise a pool of funds from investors and then they use those funds to take a controlling or substantial minority shareholding in a private company. Alternatively, Entrepreneurs can opt for **government assistance**. The federal, state and territory governments in Australia do not offer **grants** to start a business, only to expand, develop and export. Grants for prototype development, AusIndustry and business mentoring are some of the programs that can help the entrepreneurs.

For more information on funding options, please don't hesitate to contact [melvyn@fortunaadvisors.com.au](mailto:melvyn@fortunaadvisors.com.au)

# What's on

What sets us apart is our commitment towards the profession, to our clients and to society in general. Over time, our events have become increasingly popular. They cover a range of topics that are attracts people from all walks of life.

### Recently held events:

**4<sup>th</sup> April:** Panel Discussion: Government/ Alternate government manifestos - How will they affect my business?



**23<sup>rd</sup> May:** Single Touch Payroll for Businesses



**8<sup>th</sup> June:** Carnarvon Workshop: Business Basics

### UPCOMING FORTUNA EVENTS

**2<sup>nd</sup> August:** 'Homeless but not Hopeless' - Fortuna Foundation fundraising dinner with WA's Premier.

**22<sup>nd</sup> August:** Fortuna-Bendigo Cyber Security session

**25<sup>th</sup> September:** Stirling Business Speakers: Business Strategy - How to increase your market share

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