

Break O' Day Business Enterprise Centre

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Upper Scamander Kennels & Cattery

This newsletter new business is the Upper Scamander Kennels & Cattery located at 905 Upper Scamander Road, Upper Scamander.

What a delightful location for your furry friends. The kennels provides large covered and floor heated kennels which can house two dogs if your best friends prefer to holiday together as well as a separate indoors cattery section with each cat having their own separate outdoor sunning area and stimulating runs.

The operator Rebecca Mason will happily pick up and drop off your pets if prearranged to suit your convenience and holiday plans.

Each pet is lovingly cared for and fed a diet of fresh meats and premium pet foods. Daily walks for dogs are quite scenic as Upper Scamander is a relaxing rural setting and a pleasant and peaceful environment for your pet.

“The BEC has been a wonderful help to my husband and I as we made the decision to start the business with the birth of our daughter” says Rebecca. “Melinda has been very helpful with the structure of our business and with providing advice on how to manage our part time employee, insurance and managing our record keeping”

“We recommend anyone thinking of going into business call in and speak with the BEC, a great advisory service”

www.smallbusiness.org.au

Shop 1 / 34 Quail Street, St Helens TAS 7216
PH: 6376 2044 FAX: 6376 2055 E: admin@smallbusiness.org.au

2010



Advertising sales have commenced for the 2010 edition of the directory

WHY ADVERTISE IN THE 2010 DIRECTORY

- Distribution** A FREE copy of the *east coast business + community directory* is delivered to every household in the Break O Day region and Bicheno via Australia Post and is available to every new resident in the Break O Day Council New Residents Kits as well as on the counter of the BEC office.
- FREE** The *east coast business + community directory* is likely to be found near every telephone in the household and business 365 days of the year. Not many of forms of advertising provide this cost effective “year long” shelf life. Now your customers can find you when they want, when they need you, anytime.
- Value for Money** The pricing structure of the *east coast business + community directory* is the best value for money advertising in the region. The cost of monthly or weekly advertising in other publications can't be matched with this targeted approach to marketing.
- Environment** The *east coast business + community directory* is conscious of the impact that the publication has on the environment and in recognition of the impacts the directory is printed on recycled paper and communication with advertisers is in the form of emails to reduce the quantity of paper used wherever possible.
- Advertisers** Any business who wishes to promote locally **should be seen** in the *east coast business + community directory* which is the most comprehensive guide of businesses on the East Coast.

**To advertise please call (03) 6376 2044
or email admin@smallbusiness.org.au**

Advertising Closes October 30th 2009



PUBLIC AND PRODUCTS LIABILITY INSURANCE.

Public Liability cover: The loss, damage, loss of use or personal injury must result from a negligent occurrence that is connected with your business.

Products Liability cover: The loss, damage, loss of use or personal injury must result from a negligent occurrence that is caused by a product or its container.

Personal Injury means:

1. Bodily injury, death, sickness, disease, disability.
2. Shock, fright, mental anguish.
3. Unlawful arrest, unlawful imprisonment, wrongful detention, and malicious prosecution.
4. Libel, slander or defamation.
5. Wrongful eviction, wrongful entry or other invasion of privacy.

Property Damage means:

1. Physical damage to property.
2. Physical destruction of property
3. Loss of use of property as a result of physical damage to, or physical destruction of, Property.

Property means:

1. Tangible property not in Your possession or control.
2. Premises that You occupy for the purpose of the Business.
3. Vehicles not owned by You, but in Your possession or control, while in a car park, where the car park;
 - a) is owned, occupied or lease by You;
 - b) does not form part of a building construction or work site; and
 - c) for the use of which You do not charge a fee

Product means:

Anything (after it has passed from Your possession and control) including its packaging, that was manufactured, grown, extracted, produced, processed, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, re-supplied or distributed by You in the course of Your business.

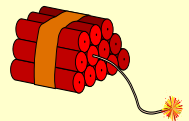


Some Possible Exclusions from an Insurance Policy.

- Workers Compensation
- Discrimination and harassment
- Assault or battery
- Waiver of rights
- Contractual Liability
- Building and Demolition
- Product recall and repair
- Faulty Workmanship
- Fines and punitive damages
- War, invasion, act of foreign enemy weapons/material
- Intentionally or recklessly caused Personal Injury or Damage to Property
- Reinstatement, repair or replacement of Your Product
- Loss of use of property
- Aircraft Products
- Aircraft and hovercraft
- Vehicles
- Watercraft
- Pollution
- Asbestos
- Libel and Slander
- Cranes
- Nuclear

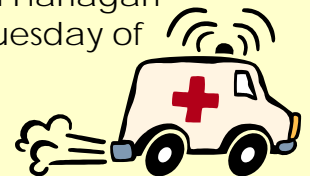
You must take all reasonable care: This means You must:

- Take all reasonable precautions to prevent:
 - a) Public Liability and Products Liability.
 - b) Personal Injury and Damage to Property.
 - c) The manufacture, sale or supply of defective products.
- Comply with and ensure that Your employees, servants and agents comply with, all laws, bylaws, regulations and recognised standards for the safety of persons and property.
- Ensure that only competent employees use, operate, maintain and service plant and equipment.
- Maintain all premises, fittings, plant and equipment in sound condition.
- Take immediate action to trace, recall or modify all Products that You know or have reason to suspect contain a defect or deficiency.



ABOVE ALL. **NEVER ACCEPT LIABILITY**. YOUR INSURANCE COMPANY WILL HANDLE LIABILITY CLAIMS ON YOUR BEHALF SO **NEVER** ACCEPT LIABILITY.

If you have any queries on Public and Products Liability Insurance, do not hesitate to contact us office on 6331 2066 and talk to either Lyn Flanagan or Josh Pearce or drop into the BEC offices on the first or third Tuesday of each month between 10am and 3pm.



McKillops General Insurance Brokers Pty Ltd
ASFL: No. 241254

Investment Allowance for Small Business – Peter Haworth, WHK

Now that the frenzy of 30th June year end is over, it is a great time to re-assess whether you should take advantage of the Government's Investment Allowance in the remaining period up to the expiry deadline of 31st December 2009. From the client enquiries we have received since the initial introduction, there appears to have been a great deal of misinformation, or misinterpretation of what the investment allowance really means to business people.

Firstly, of most importance, is that for businesses with an ex-GST aggregated turnover of in excess of \$2m, the Investment Allowance is now at a reduced rate of 10% for equipment ordered between 1st July and 31st December 2009, with delivery or installation ready for use by 31st December 2010 for equipment costing over \$10,000 ex GST.

For Small Business, the May Federal Budget increased the Investment Allowance rate to 50%, and extended the order deadline to 31st December 2009, with delivery or installation ready for use required by 31st December 2010. Small Business has a lower minimum cost of \$1,000 ex GST. Batches or sets of items can be aggregated for the purposes the cost threshold. Items do need to be substantially identical, or designed to function as a set.

The method of financing the purchase of the assets is also important, and can have implications on the date the purchase is deemed to have been made, and accordingly which year the Investment Allowance can be claimed. For example, for a Chattel Mortgage (more commonly known as Asset Purchase in Tasmania) the purchaser is entitled to claim the Investment Allowance, and the date the property is installed ready for use determines the year of claim. However, if the item is financed by a hire purchase contract, then eligibility for the Investment Allowance will hinge on whether the purchaser (hirer) is regarded as being reasonably expected to actually acquire the asset at the end of the contract.

Further, the timing of the deduction will depend on the date the arrangement is entered into with the financier, not when the order is made with the supplier. The deduction for the Investment Allowance is available in the year the item is installed ready for use. This is in addition to any depreciation deduction to which you are entitled.

Cont'd

What many clients have asked is "how much tax do I save". The answer to this is dependent on your personal marginal tax rate, or the company tax rate if that is your trading entity. If your marginal tax rate is only 16.5%, then that is what your tax saving is (certainly not 50% of the cost of the item as many people believe).

As an example, ignoring GST, the purchase of a \$40,000 vehicle would save you about \$6,300 in tax if you have a 31.5% marginal tax rate. In fact, if the Investment Allowance deduction puts you below the taxable threshold, then the tax savings may be negligible. You should also be careful that the additional deduction does not put your business into a loss position, which would bring the Non-Commercial Loss rules into play and possibly delay the benefits of part of the additional deduction.

You should also weigh up the loss in value of any item you are trading in to purchase the new asset. In some cases, clients have calculated that the loss in value of the trade-in item, is more than the tax saving, so it therefore makes little business sense to purchase the new item. As it is expected the value of good second hand equipment and vehicles may well fall due to oversupply, then it may in fact make good economic sense to purchase a 1 or 2 year old item rather than new if there are significant savings available.

Our advice is that you should discuss the purchase of further assets with your accountant. If you were planning to purchase the new asset anyway, then the Investment Allowance potentially provides you with a tax saving (dependent on your tax rate) but if you are purchasing a new asset just for the tax benefits, do your sums carefully.



Dealing with the economic downturn & preparing your business for recovery.

It is fair to say that times have been about as tough as they get for Australian businesses. But take heart, general consensus is that the worst may be over. So is now one of the best times ever to take advantage of improving conditions.

business.gov.au is a tremendous place to start as it provides up-to-date information and advice for businesses affected by the global financial crisis.

What you can do

Surviving the economic downturn has taught businesses one thing – look closely at your bottom line to increase your profitability.

There are several ways you can improve your financial situation including seeking professional advice, however there are also a number of small, low cost changes that you can make to your business that will make an immediate impact.

Evaluate your expenditure.

Start by examining your day to day costs such as rent, telephones, electricity and transport costs and make any necessary cuts. You can utilise cheaper methods of communication such as videoconferencing instead of attending meetings in person.

Look at ways you can reduce the amount of energy and waste levels your business uses. This will save you money and help the environment by reducing greenhouse gas emissions.

And now could be the time to talk to your bank manager or other financier about refinancing or ramping up your business loan while interest rates are low. The Business Loan Finder on business.gov.au can help you find and compare business loan options.

Revisit your business and marketing plans.

The continued success of your business is determined by effective planning. By updating your business and marketing plans you can increase awareness of your business and generate more revenue. You could include new business prospects and new services or discounts and look at ways you can promote your business for free. For hints and tips on writing business or marketing plans, see business.gov.au for business planning tools.

Utilise online opportunities.

Using the internet to communicate and do business can help you reach a much wider market both locally and overseas, as well as saving you time and money. Taking advantage of new and less expensive technologies during an economic crisis or not, is just good business. business.gov.au provides a comprehensive list of the information and resources you can use to plan and run an online business.

Provide excellent customer service to everybody.

Marketing your business to gain new customers is crucial in obtaining growth but it is also important to look after your regular customers. Chances are they are doing it tough too. Offer incentive schemes and discounts on certain products and services for repeat customers. Let your loyal customers know that their business is important to you.

Check out business.gov.au's new Grant Finder. Many businesses are seeking financial assistance from external sources to further develop their businesses in the current global financial crisis. business.gov.au's Grant Finder helps you to find funding programs from the federal, state and territory governments, and from local councils. Visit business.gov.au for more information.

Stay informed about new Government assistance and initiatives.

business.gov.au has new information on Government assistance and funding for business that is regularly updated as new initiatives are announced. It includes information on tax breaks, support services and training schemes intended to help guide businesses through the challenging global financial climate.

Where to go for advice.

Recent funding has been awarded to successful Business Enterprise Centres (BECs) to increase their capacity to provide business advisory services to small businesses affected by the current financial crisis.

To find out what services are available for you from your local BEC or registered business organisation, visit business.gov.au.

Keeping your business afloat during the economic downturn may be difficult but there are things you can do and opportunities you can take advantage of. Visit business.gov.au for more up-to-date solutions to the global financial crisis.

business.gov.au is the Australian government's principal, award winning business website. It contains over 2,500 business information items, and truly has something for every business.

Together we can all make a difference

In this day and age of environmental issues it is important for all of us to do our part.

At L J Hooker St Helens you can drop off all your old **Printer, Fax and Photocopier Toners and cartridges** as well as **used mobile phones**.

So don't throw out your old cartridges and let's recycle them. Just bring them into us at L J Hooker St Helens and together we can all make a difference





The Business Magazine is available FREE OF CHARGE from the BEC office.

Please call in anytime a grab your monthly copy or visit www.mybusiness.com.au and sign up for the free e-news.

From recent issues:

Return of the big spenders

Consumers seem to be shedding their caution with new figures showing that people spent \$19.3 billion on their credit and charge cards in June – which was an increase of 9.19 per cent from the previous month and the highest monthly spending so far this year.

The Reserve Bank of Australia figures revealed that the \$19.3 billion was the highest monthly amount since December 2008, when the nation put \$21 billion on the credit and charge cards during their Christmas spending spree.

The value of purchases climbed 8.94 per cent to \$18.3 billion - the highest monthly total this year - while cash advances were up 14.19 per cent at \$998 million.

Interestingly, repayments of credit card debt also totalled \$19.3 billion which was up by 7.27 per cent from the previous month. The average credit card balance outstanding was \$3127 in June, up 1.07 per cent from the previous month. 26th August 2009

My Business: Building a website on a budget

In August's *My Business* magazine website design specialist, Sophie Wegat, offers some tips on building an effective site amid the economic downturn. When building a website on a budget it's important to spend time researching your requirements.

The first step is to define your online goals. Do you want to sell online, collect leads, inform people or promote your brand? You may have more than one goal for your site. Once you have decided on your goals, it's a good idea to prioritise them and to ensure that they are both achievable and within your budget.

Once you have defined your goals, it's time to start looking at your budget. The costs involved include design, content creation, hosting and website promotion. Take a look at your marketing materials and determine what can be used on your website and what will need to be created from scratch. Are you able to create content yourself, or do you need someone to do it for you? Remember that the text on your website will also have an impact on your search engine rankings.

Once you have defined your goals and set a budget, it's time to start talking to potential web designers. Don't be afraid to let the designers you're talking to know what your budget is. Any professional web designer will work to ensure that you are getting the maximum bang for your buck. Tough economic times don't mean you have to put your website design on hold. As long as your budget is reasonable a professional designer should be able to work with you to deliver a solution.



Is starting a small business right for you?

If you're thinking about starting a business, it goes without saying that you need to be prepared to work long hours in the first few years until your business becomes established. But it is more than just hard work, there are patterns of success that should increase your chances.

If you do not have the personal characteristics that allow you to succeed in business, then it is going to be much harder for you. You need persistence, patience, determination, passion and self discipline and that is before you assess your ability to actually do the work required.

Before you examine the possibilities it pays to do some self assessment. It is best to know not only if your business idea is sound but if it is the right step for you.

It is a good idea to ask yourself some tough questions.

- Am I going into business for the right reasons?
- Am I confusing a business with a job, a hobby, or a status symbol?
- Am I passionate about the business itself?
- Are business responsibilities likely to conflict with my lifestyle or family priorities?
- Do I have the necessary energy and determination to start a business from scratch?
- Do I have the motivating ability to inspire my employees?
- Am I willing to take on a higher degree of risk working for myself in pursuit of my goals?
- Can I afford the possible drop in income?
- Is my financial position strong enough to own my own business?
- If I am using a redundancy payout or lump sum can I afford the risk?
- Will the business generate enough profit to fund my lifestyle
- Do I have the skills and confidence to successfully start and/or run a business?
- Am I capable of managing all the day-to-day issues related to the business?

What does a successful small business owner look like?

Everyone varies but successful small business owners generally:

- are very good at what they do (they already have strong skills and experience in their industry; it is more difficult starting a new career and a new business at the same time).
- know there is a gap in the market and have identified an opportunity
- have support and understanding from their family and friends to help them out when things get tough
- have enough money to outlast a cash crisis and not be under-capitalised
- have a network of experienced business people to talk to
- have the entrepreneurial spirit (passionate, determined, persistent, flexible)
- are prepared to change their strategy when they need to
- are able to convince other people that their idea is good
- have a revenue stream or an existing customer ready to order before they start.

Be honest about your own skills, knowledge and situation. If you really feel that the risk and work required is too much (your intuition will tell you) then deciding to stop is just as good a decision as deciding to go ahead.

<http://www.thesbhub.com.au>

Get out of your comfort zone!

Comfort zones are insidious. They keep us doing the same old things, the way we've always done them. After all, when was the last time you thought about taking your business to new and heady heights, but didn't actually get any further?



Don't worry, you are not alone.

There are plenty of business owners out there who let their brains stand in the way of fundamental changes in their business. When we consider dramatic change, we either think that we can't do it or claim we don't know how to do it. Sound familiar?

If you want to do more than grow incrementally then you need to practise some radical thinking. It's pretty easy to set a goal of selling 10% more or getting five more customers. This is what I call an incremental target, meaning 'just a little bit more than last time'. This is better than not having any targets, but it does tend to leave you well inside your comfort zone.

Let's talk instead about **radical targets**.

To achieve a radical target implies completely altering the way things are done and introducing a new paradigm into the business. To set a radical target you need to make a leap of faith and suspend the part of your brain that tells you that you don't know how to achieve it.

Setting radical targets that you don't know how to meet can result in creative and out of the box solutions. It's unlikely that you'll achieve these *without* major changes to the way the business is run. And that's the whole point. This ongoing search for innovation and different approaches can keep the business fresh and a step ahead of your competitors.

Here's some examples of radical targets to inspire you:

- Double the net profit of the business within 12 months;
- Become internationally known as a specialist in your field;
- Shift the business model from 100% face-to-face to 80% web enabled;
- Create a product set that generates enough passive income to sustain you and is completely automated and online.

Now that you've set your radical targets you can start imagining how to make them happen. This will force you to totally rethink aspects of how you provide your product or service.

Start with an open mind. Just because you're not sure how to achieve it doesn't mean it can't be done. If you even get half way to your radical targets, you will be a much further ahead than if you had never set them.

Expand your world, get out of your comfort zone and aim to set at least two radical objectives in your business plan.

If radical thinking has helped you and your business, tell us via the comments.

[Megan Tough](#) runs Complete Potential, a company that helps businesses solve their strategy and people problems. She loves being a solopreneur, and when she doesn't have her nose to the grindstone, is fulfilling her other passion of fitness and health. www.flyingsolo.com.au