



esdalesinclair & ASSOCIATES

...your local finance specialists

Welcome to our quarterly newsletter.

In this edition we discuss the instant asset write off and the types of equipment that can be financed. We take a look at finance discounts available for Energy Efficient Vehicles and Equipment. You may be surprised at some of the vehicles that qualify!

Also if you're in business have you asked yourself "what could I do with an extra \$50,000 or extra dollars?" Unsecured finance options are available to help your cash flow.

We have a look at superannuation changes happening from the 1st July that impact most of us and we finish off with some quotes we can all relate to in our horsing around section.

If you know a friend or client that would benefit from our services please let us know their details and we will look after them.

And finally with the end of the financial year fast approaching please do not hesitate to contact us on (07) 4922 7221 to discuss your finance requirements.



Instant Asset Write Off!

If you are in a business with an annual turnover of \$10M or less the great news is the Federal Government in the May budget announced the extension of the instant write off of assets under



Buying a New Car or Equipment – If it is Energy Efficient and qualifies you may have an added finance benefit!

Typically when you think of energy efficient



If you run a business what could you do with an additional \$50,000 dollars or another amount?

Could you expand your inventory, repair your equipment, manage slow paying debtors, or

\$20,000 until 30/6/2018. And you've still got time to take advantage of the deduction this financial year. And you've still got time to take advantage of the larger deduction this financial year.

How the Instant Asset Write off works.

- If you are registered for the GST you exclude the GST amount you paid on the asset when you calculate your depreciation amounts (and your instant asset write-off threshold is \$20,000 exclusive of any GST). This is because you claim as a credit the GST paid in your activity statement.
- There is no limit on the number of assets up to 20,000 that can access the instant write off.

vehicles you may think of Tesla, Toyota Prius or other similar types of cars.

You may not realise that there are now over 300 new cars with all makes and models available from dealers with low Co2 tail pipe emissions that contribute to a greener future.

Some examples are:

- Volkswagen Polo MY17 81TSI Comfort line 1.2L 4 cylinder manual hatch Petrol 95RON
- Hyundai i40 2017 Series II 1.7 1.7L 4 cylinder auto turbo sedan Diesel

If you purchase a low co2 emission vehicle that qualifies the great news is that we can generally arrange

undertake much needed marketing? What is holding you back from driving the next stage of growth?

We understand it can be difficult to obtain additional funds. It generally involves a lengthy application process with your Bank who may want to tie up property and require up to date financials that are not yet available.

This doesn't need to be the case and the good news is that we have access to funders that provide unsecured lending for any worthwhile purpose from periods as little as 3 months up to 12 months.

- If you have a number of items as part of a package that totals more than \$20,000 you should be able claim each item that is clearly itemized on the invoice for \$20,000 or below.

What is excluded?

Some assets may be excluded, like Horticultural plants (grapevines), capital works to buildings and “In-House” software. There are different depreciation rules for these types of assets.

To find further information from the ATO’s website [click here](#)



reduced payments to the standard payments usually charged.

How it works?

The Clean Energy Finance Corporation (“CEFC”) has provided selected financiers with funding that enables them to reduce finance repayments to assist in accessing equipment that contributes to a greener Australia. These funding initiatives are for a specific amount and therefore are only available until exhausted unless increased funding is provided by the CEFC.

What Motor Vehicles qualify?

- Cars purchased with low Co2 tail pipe emissions

The following Equipment types can also be considered:



Superannuation important changes from the 1st July!

With the end of June fast approaching and changes to superannuation incorporated into the 2016 Federal Budget coming into effect, we thought you may want to know some key points from a superannuation aspect to consider before June 30, This article is general advice only and you should speak with your superannuation fund or adviser about your personal circumstances.

What should you consider before June 30, 2017?

What assets can we finance?

If you are looking to take advantage of the instant write off its possible to finance just about any depreciating item. To make it easy we have listed below some of the items that can be financed. Of course you can still finance items that cost more than \$20,000.

- Security equipment
- Telephone systems
- Commercial LCD display panels and audio visual
- Computer hardware and related IT with software component up to 25% of total "package"
- Gaming and poker machines
- POS systems
- Dental equipment
- Laboratory equipment

- Agricultural Equipment
- Trucks powered by an electric, hybrid or regenerative drive/engine
- Buses powered by an electric, hybrid or regenerative drive/engine
- Machinery powered an electric, hybrid or regenerative drive/engine

What if you are replacing Equipment?

If you are replacing Equipment in the above list with new Energy Efficient Equipment we can also check to see to see if the new equipment qualifies. This requires confirmation of the energy savings for the new equipment compared to the equipment you are replacing. It is worth asking the

You have the opportunity to place a higher contribution into your Superannuation Fund compared to next year!

For the year ended 30/6/2017 there are two annual concessional contributions caps based on your age that that you need to be aware of when considering a before-tax superannuation contribution strategy.

These are:

- \$30,000 cap of Superannuation contributions for anyone aged 49 or under
- \$35,000 cap of Superannuation contributions for anyone aged 50 years or over.

Next year (30th June 2018) this cap reduces to \$25,000 for all age group.

- Medical and ophthalmic equipment (inc. medical & pharmacy refrigeration units)
- Office equipment
- Scientific equipment
- Laser levelling equipment
- Sensormatic retail security systems
- Digital video & still cameras – Professional quality (Professional Photography requirements only)
- Cleaning machines
- Industrial sweeper machines
- Earthmoving
- Forklifts and materials handling equipment
- GPS tracking equipment
- Gymnasium equipment
- Plotter printers
- Wood chippers/stump grinders

question as you could make savings on your monthly payments just for buying motor vehicles or equipment that are energy efficient.



Horsing around

Changed my password everywhere to 'incorrect'. That way when I forget it, it always reminds me, 'Your password is incorrect' - **Anonymous**

If you think patience is a virtue, try surfing the net without high speed Internet. - **Anonymous**

I love being married. It's so great to find that one special person you want to annoy for the rest of your life. - **Rita Rudner**

It is important to note that your Employers Superannuation Guarantee

contributions count towards the cap which means that if you are making additional contributions under a salary sacrifice arrangement you need to check that you don't exceed the above caps in place for the 2016/2017 financial year.

If you're aged 65 or over different rules apply and you cannot make voluntary super contributions after turning 75. If you are in either of these circumstances please check with your adviser.

The 1.6 Million Cap!

If you are lucky enough to have more than \$1.6 million of superannuation in pension phase, or it looks like you may have greater than \$1.6 million in pension phase

- Golf carts
 - Energy saving equipment
 - Commercial laundry equipment
 - Ride on mowers
 - Compressors
 - Commercial kitchen equipment
 - Water filtration
 - Generators
- Silence is golden, unless you have kids, then silence is just plain suspicious – **Anonymous**
- Got to work this morning and my boss told me 'have a good day', so I went home and had a great day! - **Anonymous**

by July 2017, then you need to take action before 30th June 2017

Why? Anyone with more than \$1.6 million of super in pension phase as at 1 July 2017, will be forced to withdraw the excess over the \$1.6 million.

Pension phase is the period during which a super fund pays an income stream or pension. The alternative to a **pension phase** is the accumulation phase, which is generally the period you are working and contributing towards your total superannuation pool.

What are your options?

If your super pension balance (from all pension accounts) does exceed \$1.6 million, you have two options when reducing your super pension balance to below \$1.6 million before July 2017.

You can move the excess into accumulation phase within the super system (where earnings will be taxed at 15%), or you can withdraw the excess from the superannuation system.

If you have a self-managed superannuation fund make sure you check with your adviser.

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Our mailing address is:

Esdale Sinclair and Associates
184 Musgrave Street
North Rockhampton, QLD 4701
Australia