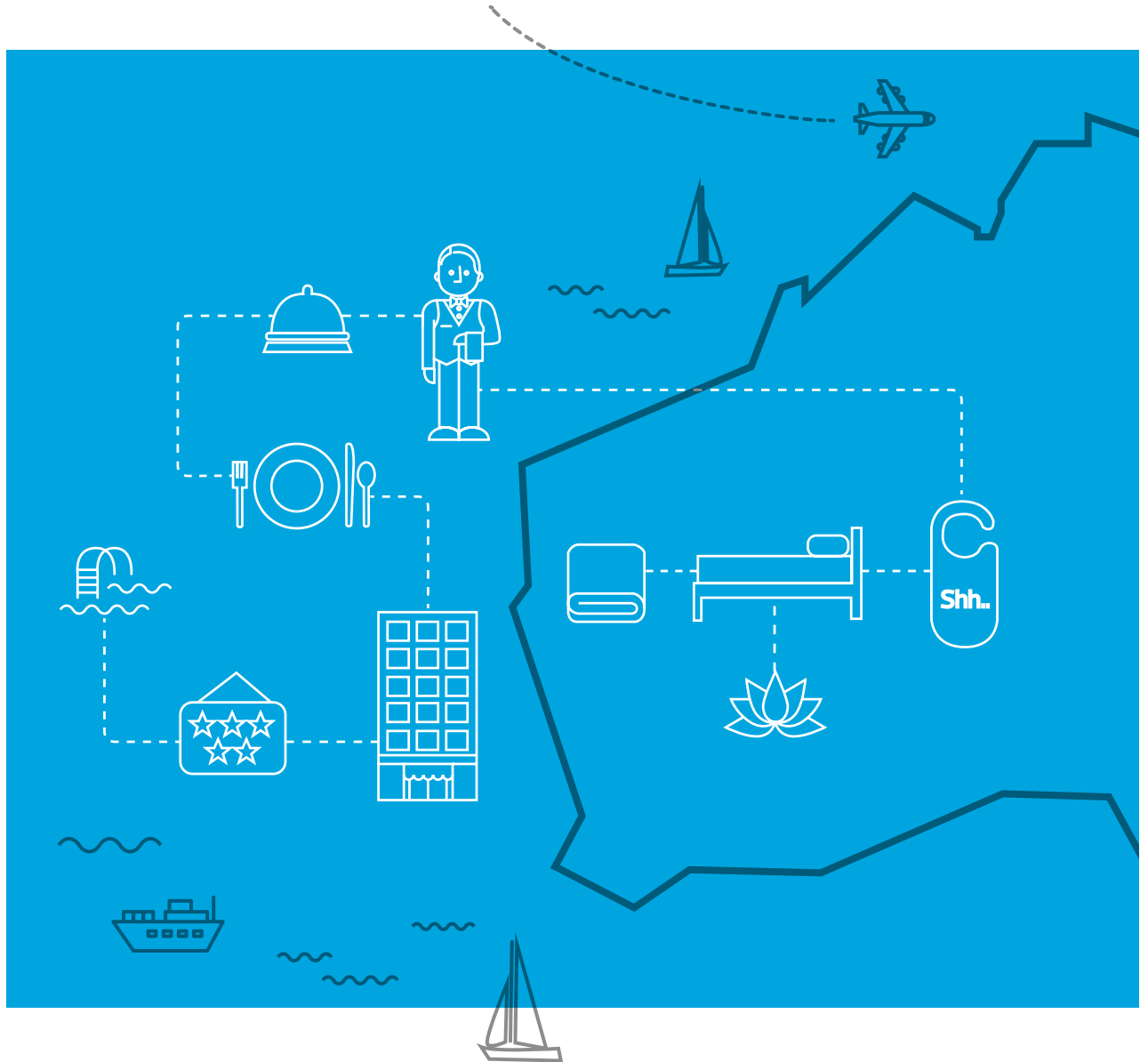


# WA Tourism and Hospitality Specialists

At RSM Australia, we understand regional business, because **we are a regional business.**

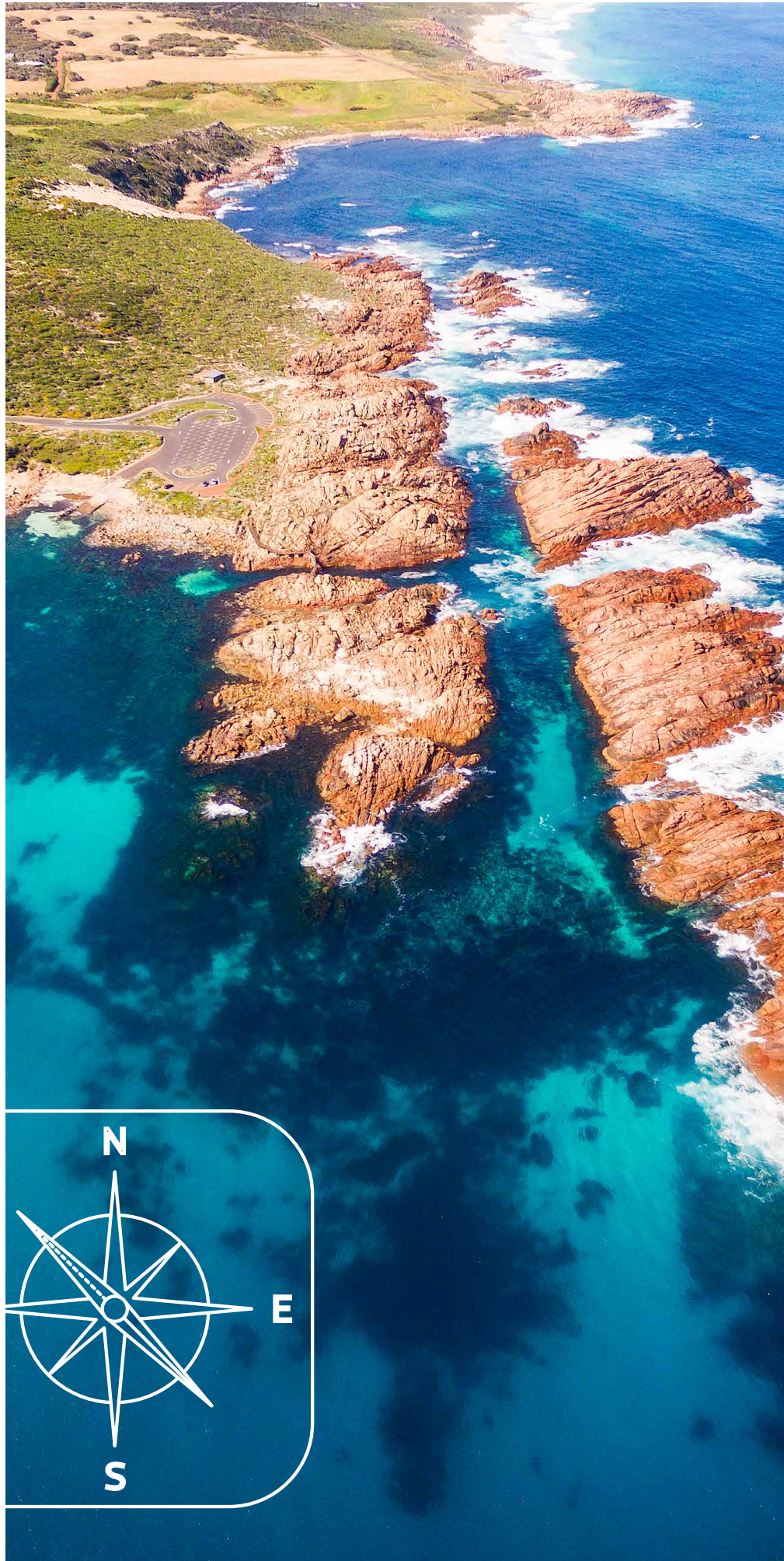
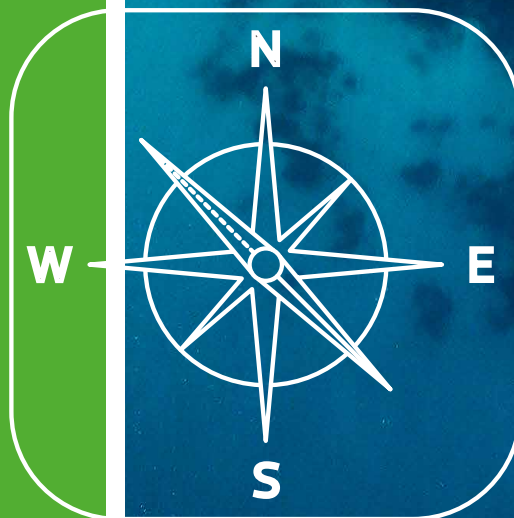


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# THE POWER OF BEING UNDERSTOOD

## RSM is your local accounting and business advisory firm.

Since 1922, we have helped business owners in the tourism and hospitality sectors from the Mid West to the Great Southern to achieve their personal and business financial goals.

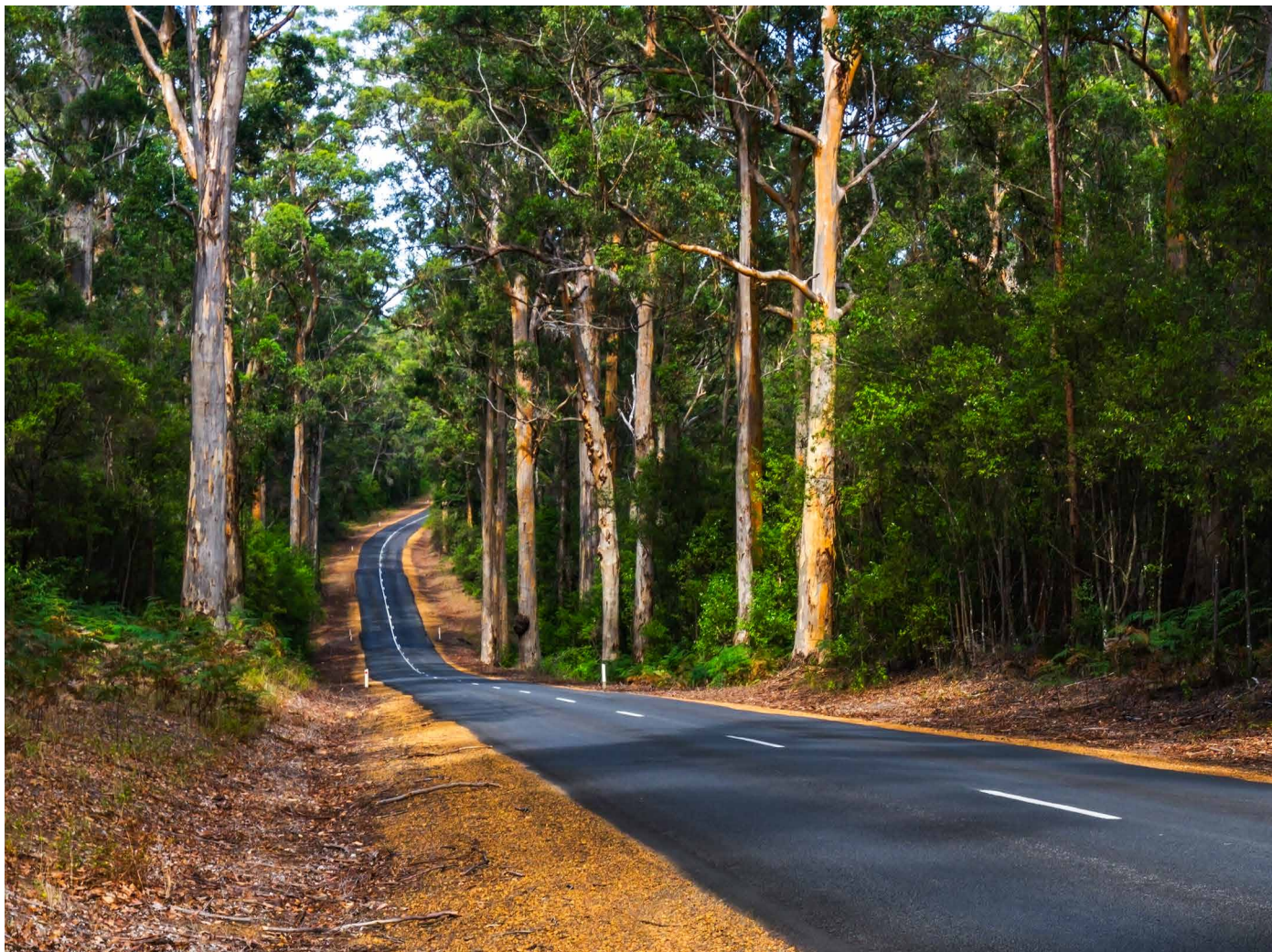
We pride ourselves on working closely with our clients to understand what matters most to them – from getting control of cash flow to making the most of government incentives and increasing profitability with smart business strategies.

There are 19 RSM offices in regional Western Australia because we operate in the very communities we live in. Our 400 regional staff offer the best in financial expertise, designed to simplify financial management and put you on the road to success.

## We're closer than you think, with 19 regional locations across Western Australia.







## TOURISM AND HOSPITALITY SERVICES

We support and empower business owners, directors, lenders, investors and other industry stakeholders in tourism and hospitality across WA.



### Contact us for:

- Personal and business tax planning
- Cashflow and forecasting
- Digital accounting
- Business structuring
- Strategy and growth
- Restructuring and recovery
- Grants and funding
- Succession planning



*The most important element in your business is you. Let us take care of the numbers, so you can stay focused on what you do best and make the most of new opportunities.*





## MEET YOUR TOURISM AND HOSPITALITY EXPERTS IN WESTERN AUSTRALIA



**Simon Brown**

*Principal, Margaret River*

Simon is a Principal of the Business Advisory division in Margaret River and Busselton. He is a chartered accountant with a wide range of experience in providing high level strategic advice on taxation and business matters and manages a diverse range of business assignments. Simon is a regular contributor for the Margaret River Busselton Tourism Association, writing on trending industry article topics and hosting events.



**Trevor Lake**

*Partner, Geraldton*

Trevor is the Director of RSM in Geraldton. He is active in analysing tourism business operations, trends, costs, financial commitments and expenses, to provide his clients across the sector with strategic business advice. This knowledge assists him in building strong and long-lasting relationships with both his clients and the local Mid West community, allowing them to increase their customer base, and to ultimately grow their enterprise.



**Kara Golding**

*Client Manager, Geraldton*

Kara is a Client Manager in the Business Advisory division in Geraldton. She has extensive experience in tax planning and compliance for SME businesses, assisting clients with consulting needs including purchases, sales, succession planning and more. RSM in Geraldton are also partners of the Shore Leave Festival 2021, an annual tourism festival celebrating the culture, food and adventure that make the Mid West region unique.



**Reagan Manns**

*Manager, Jurien Bay*

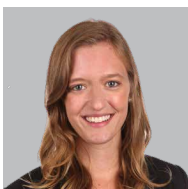
With a passionate interest in technology, Reagan explores new ways to implement cloud technologies for businesses to assist in streamlining, automation and adding efficiencies for his clients. Reagan also actively works alongside family groups in restructuring established businesses to be more tax effective and on the development, building and implementation of family succession plans.



**Vaughan Jeffery**

*Senior Accountant, Manjimup*

Having grown up in the South West, Vaughan understands the problems that local businesses face, and proactively seeks out solutions to help his clients moving forward. With the progression towards the cloud that most businesses are experiencing, Vaughan assists tourism and hospitality businesses with real-time data, allowing them to make better and more informed decisions in order to progress their business.



**Steffie Wallner**

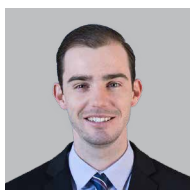
*Senior Accountant, Busselton*

Steff is a chartered accountant who works with a variety of restaurants, accommodation providers and other tourism businesses to help them meet their accounting and taxation needs. Certified in a range of cloud-based accounting systems and digital add-ons, Steff assists her clients in finding the right solution for their payroll, point of sale, and stocktake pain points, to ensure that they find the most efficient way to run their business.



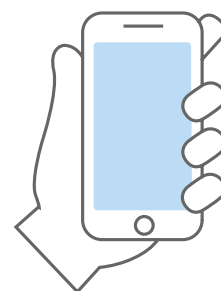
To learn more about our local RSM staff and to get in touch with one of our regional offices, please visit [rsm.com.au/offices](https://rsm.com.au/offices)





# CASHLESS TRANSACTIONS: THE WAY OF THE FUTURE?

by Vaughan Jeffery



**Selecting and implementing the right technology in your business can be overwhelming and confusing. As technology continues to advance, the choices become endless and it is understandable many businesses choose to throw it in the 'too hard basket' and continue doing business the way they have done in the past.**

There is no question that in some cases this may work, but could there be a better way? The answer to this question, of course, is 'yes!'

The COVID-19 pandemic has taught us a lot of lessons in quite a short period of time. In reality, it has changed the way we do business. One such change is the move towards cashless and online payments. This concept was highlighted at the peak of the pandemic, with experts warning us the virus could be transmitted via cash. It became evident that those businesses that had systems in place for multiple payment methods were able to quickly adapt to the situation and continue to provide their goods or services and receive payments.

Despite this, we should not use COVID-19 as an excuse for needing to consider a change. We should instead focus on why the idea of going "cashless" is not a temporary solution, but an important and necessary progression that every business should consider.

## What do we mean by 'Cashless'?

Let's start by highlighting that it is not providing our goods or services for free! When we refer to the term 'cashless', we are simply looking at eliminating the handing over, or receipt of, cash in the physical form. The reality is that access to our money is becoming easier and easier – whether that be in person, or online. If we look at what is available today, we have certainly come a long way from our traditional Visa or Debit cards.

We now see the concept of 'Tap-and-Go' extended to our everyday devices. If you have a smartphone, it is likely you can use this as your bank card, not to mention your smartwatch – with the turn of a wrist

you can pay for anything you desire. As a business, there is an opportunity to take advantage of this.

## Why?

Every business is different, but the time old saying "**Cash is King**" is still, and always will be, relevant. Making it easier for your customers to pay is the key to collecting cash quicker. In the tourism and hospitality sector, seasonality and timing is a continual battle.

For both a supplier and customer, having the funds available at the right time can have a significant impact on the ability to make the next purchase or finalise the next sale. We also need to consider that a portion of our sales is from impulse purchasing, particularly in the tourism sector. Someone passing through town may see what you are offering, but in many cases do not carry cash on them (or a very limited amount).

The ability to make a payment using a cashless method is going to increase the chance of finalising that sale – who wants to drive around town in search of an ATM just to get the cash to make a purchase? This is also reflected in the online world – if you can offer a product or service that can be purchased in one click, it is far more enticing for the consumer to make that commitment as opposed to BPAY or online bank transfers.

## What options do we have?

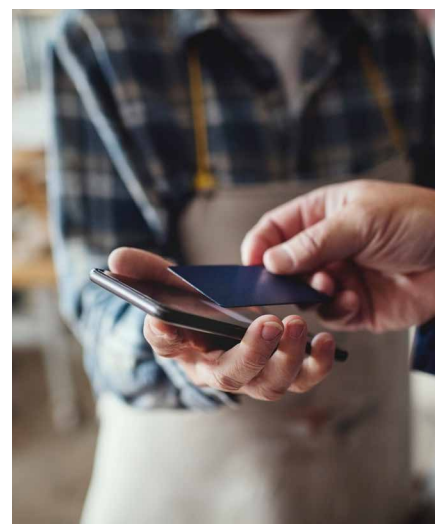
There is an endless number of solutions and the following is not an exhaustive list.

**Square**  
**Bank merchant facility**  
**Stripe**  
**PayPal**  
**GoCardless**

When choosing which product to use, you will need to consider the fees charged by the products, as well as the hardware cost that may be required to run the system. Another consideration is which product can integrate into your current accounting and bookkeeping software. Will it be compatible with the software you have? Is there an opportunity to make a further change in your internal accounting processes to get a product that will help your business?

**The most important question to ask yourself when deciding on a product is "what does my business require?"**

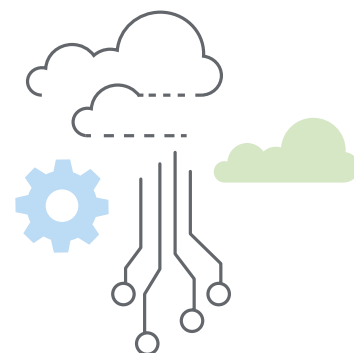
From a simple 'Tap-and-Go' point of sale card reader through to an online payment gateway for invoicing and orders, cashless payment options are available to meet your demands and should not be overlooked when considering the future of your business.





# CLOUD ACCOUNTING FOR THE TOURISM INDUSTRY

by Kara Golding



**With the ever-changing tourism landscape and how we interact with each other, having cloud software for your tourism business today is key.**

## Cashbook and accounting software

Xero has been a major player in the Cloud accounting software market for many years now. Founded in New Zealand in 2006, the program was one of the first to introduce bank feeds and true "Cloud" storage. In recent years, Xero has adapted to the Australian market and by late 2018 had nearly 1 million subscribers.

Much like MYOB, QuickBooks, and other accounting software, Xero has been designed for use by a variety of different businesses. Moving to Xero software brings with it many efficiencies such as bank feeds, paperless storage, and real time data.

## What is an add-on and what is an API?

An add-on is a way to add services to your application that improves its features and value to your business. The providers of these add-ons are commonly referred to as "App Partners". Xero currently has over 800 app partners and each of these is regularly tested and approved before Xero will allow them to connect with their software.

API is the acronym for Application Programming Interface, which in simple terms allows two applications to talk to each other. Many of the Xero approved add-ons will connect via an API that allows the data between the app and the cashbook data in Xero to be shared both by the app to Xero and by Xero back to the app.

## Add-ons for tourism using Xero

Depending on your type of tourism business, you may find other specific add-ons that suit your business best. A good starting point for these are my top five recommendations below:

### Checkfront – Online booking management system

This secure back-office application provides a central place for you to manage your business, process reservations,

and track customers. They offer several turn-key add-ons that allow you to offer self-service bookings direct from your website. Checkfront is for schedule-based businesses that sell activities, tours, accommodation, events, rentals and more. It is ideal for services that operate in daily, nightly, or hourly allotments and is best suited for operations with a recurring inventory of services vs one-off single events.

### Receipt Bank (Dext) – Invoice management system

Receipt Bank (now known as Dext) is the easiest way for your accountants and bookkeepers to get the information they need from their clients with no chasing paperwork and no data entry. You submit receipts, bills and invoices via their personalized Receipt Bank email address or on their handy mobile app, and their world-class OCR data extraction technology provides you with all the key information. All that is left to do is review and publish to Xero in one simple click. It helps to reduce the amount of time needed for the data process and reduces the questions from your accountants around invoices.

### Stripe – Payments

Stripe makes it easy to accept debit and credit card payments from online invoices sent directly from Xero. Additionally, when using Stripe within Xero itself, you can be paid up to 14 days faster and can reconcile payments very easily. Stripe also offers fraud protection tools powered by advanced machine learning algorithms to help you detect and prevent fraud.

### Deputy – Payroll and HR system

Deputy is the ultimate employee management tool, connecting businesses and employees seamlessly through technology. By simplifying rostering, timesheets, tasks, team communication, and Award Interpretation via an app on your

employee's smartphone. Connect Deputy and Xero to calculate overtime, penalty rates, leave loading, and salary costing with every shift, as well as saving hours in payroll processing time. Each employee can access rosters and apply for leave via the app, leaving you with no need to chase up manual timesheets!

### Futrli – Reporting system

Futrli Predict is the only next-gen prediction software that automatically generates live financial predictions by combining due invoices and bills with your historical profit and loss and balance sheet, to give a complete and accurate picture of your short and long-term cash flow and performance. As well as looking at trends, seasonality, and growth patterns, Futrli Predict will also detect COVID-19 impacts where it can. With its customisable predictions and VAT / GST deferment options, you can ensure that any tax deferment and COVID-19 Loan repayments can be entered accurately to ensure you are clear about 2021 cash flow well ahead of time.

## Will you get what you pay for?

Clearly, the more you use, the more you pay. Finding a solution to meet all your needs doesn't come cheap. What is not clear when looking at price alone is the improvements in efficiency and placing a value on your time in the office should help you decide whether a subscription is worthwhile.

If you are using Xero only to reconcile your cashbook in order to lodge a BAS and satisfy your accountant, then the price of your Xero subscription alone is good value. If you are using Xero as the centre of an ecosystem of other software, the benefits will undoubtedly outweigh the cost. Being able to use that data to make good decisions that ultimately benefit your business is critical to the success of any tourism business today.



# SELLING YOUR TOURISM OR HOSPITALITY BUSINESS AND PAYING NO TAX

by Trevor Lake

**When selling your business there are a number of key areas that should be addressed in order to get the best outcome for you.**

## The structure of your business

It's always important to look at the structure of your business, from the moment you set up to the moment you exit. Structures vary from trading as an individual, a partnership, trusts and companies, and each comes with a different set of complexities.

## Small business Capital Gains Tax (CGT) exemptions

There are small business CGT exemptions available to you when selling a business.

### A general discount:

A capital gain is calculated by deducting the costs of acquiring and holding the asset consideration received on the disposal of the asset. This is referred to as the gross capital gain. This capital gain can generally be discounted by 50% if the asset has been held for at least 12 months. There are special rules in dealing with capital and revenue losses, however, companies are not able to access the general 50% discount.

### Pre-CGT assets:

If an asset was acquired pre-CGT (September 20, 1985), any capital gain or loss arising from its sale will be disregarded for the purposes of CGT events.

## Small business Capital Gains Tax (SBCGT) concessions

There are four SBCGT concessions to be aware of:

### 1. Small business 15-year exemption

If your business has owned an asset for 15 years, you are aged 55 years or over and are retiring, or if you are permanently incapacitated, then the assessable capital gain from the disposal of assets is reduced to nil when you sell the asset.

### 2. Small business 50% active asset reduction

You may reduce the capital gain on a business (active) asset by 50% if the asset is used in your business.

### 3. Small business retirement exemption

A capital gain from the sale of a business asset will be exempt up to a lifetime limit of \$500,000. If you are under 55 years of age, the exempt sum must be paid into a complying superannuation fund or a retirement savings account in order to obtain the exemption.

### 4. Small business roll-over

Should you sell a small business asset, you may defer your capital gain until a later year. This means you don't include the gain in your income until a change in circumstances causes a CGT event to happen that crystallizes the gain – for example, you don't acquire a replacement asset within the required period, or you later sell that replacement asset or stop using it in your business. When a CGT event crystallizes, all or part of the gain you had previously deferred, becomes assessable.

**To qualify for any of the SBCGT concessions, there are certain basic conditions that must be satisfied:**

## STEP 1

Firstly, you must satisfy at least one of the following:

1. The entity is a small business entity
2. You satisfy the maximum net asset value test of \$6,000,000; or
3. You are a partner in a partnership that is a small business entity, and the CGT asset is an asset of the partnership.

The government announced further changes to the CGT small business concessions in the 2008 Budget. The changes allow access to the concessions by way of the \$2m turnover test for:

- taxpayers who are not carrying on a business but who own a CGT asset used in the business of an affiliate or connected entity
- partners who own a CGT asset used in the partnership business.

## STEP 2

In addition to satisfying one of the basic conditions above, the asset must satisfy the Active Asset Test.

## STEP 3

This step only applies if the CGT asset is a share in a company or an interest in a trust. Should this be the case, one of these additional conditions must be satisfied just before the CGT event:

1. You must be a CGT concession stakeholder in the company or trust; or
2. The entity that owns the share or interest must satisfy the 90% test.

### Am I a small business entity?

You will be a small business entity if you are an individual, partnership, company or trust that is carrying on a business and has less than \$2m aggregated turnover or less than \$6m of net assets.

### Steps you should take when selling your tourism and hospitality business

You need to take into account the above scenarios to ensure that you can qualify for the CGT exemptions and pay the least amount of tax.





1. Make sure that your business is performing well before considering a sale to get the maximum price for the business you have been running.
2. Take note of the exemptions and that to qualify it may take a two-step process to reduce the capital gains tax payable. For example, sell part of the business in the previous year to get under the \$2m turnover.
3. Sell assets in the previous year to ensure you are under the \$6m net asset value.
4. Remember you only need to pass one of the tests to qualify.
5. Check your age regarding the retirement exemption. If under 55 you will need to transfer the retirement exemption to a superfund. Also check if you have used any retirement exemptions in the past to ensure you qualify for the \$500,000 exemption.

### Dealing with structures

1. With a sole trader only one person can benefit from the CGT exemptions, or in other words, only one person can claim the CGT exemptions.
2. In a partnership, each of the partners can qualify to use the exemptions.
3. In a Trust, the beneficiaries can qualify for the exemptions.
4. A company does not qualify for the general discount, however, the sale of the shares will qualify for the general discount.

**View the following example of structures making use of the small business CGT exemptions where:**

- The turnover is less than \$2,000,000
- The net asset value is less than \$6,000,000
- Owned for less than 15 years and been an active asset for more than half the time
- The business owners are all over 55 years of age
- The partnership has two active partners
- The Trust have two people working in the business but have more than two beneficiaries who have received distributions from the trust in the past
- The company has two shareholders

Description (\$)	Sole Trader	Partnership	Trust	Company
Sale value	6,000,000	6,000,000	6,000,000	6,000,000
General discount	3,000,00	3,000,00	3,000,00	0
Capital gain	3,000,00	3,000,00	3,000,00	6,000,000
Active asset discount	1,500,000	1,500,000	1,500,000	3,000,000
Retirement exemption	500,000	1,000,000	1,500,000	1,000,000
Taxable capital gain	1,000,000	500,000	0	2,000,000

The rollover relief can be used if you purchase a new business and the deduction would be the amount that you pay for the new business, as well as any plant and equipment purchased that will be used within the business itself. You do, however, need to use the same entity to make the purchase

### Conclusion

The small business CGT law exemptions can be complex, with different business structures eligible for different GGT exemptions and it is therefore important that you see your professional adviser and work with them in order to get the best tax outcome for you on the sale of your business.









## PAYROLL AND ROSTERING: LOOKING BEYOND SINGLE TOUCH PAYROLL

by Reagan Manns

**In recent years, business owners have been inundated with information on Single Touch Payroll (STP), however, as we close in on 12 months since STP became mandatory, it's time to look at other aspects of payroll software that can help add value to your business.**

In the competitive landscape of tourism and hospitality, being able to cost out staffing requirements quickly and accurately is imperative. Despite its importance, for many businesses, rostering is a painstakingly long process and chore that involves a spreadsheet, which whilst reliable, cannot compete with new digital offerings. Instead of manually allocating employees into shifts whilst trying to balance employee availability, costing, and adequate staffing during peak hours, dedicated payroll programs can automatically draft rosters which account for all these factors. **With all the heavy lifting done all you need to do is analyse, tweak, and send the roster straight to employees.**

In addition to the time-saving benefits of automatic rostering, having an online solution allows for an effortless integration with your point of sale or bookings software. It is through these integrations that the true benefits of computer learning and data analysis become evident.

By continuously analysing sales on an hourly, daily, weekly, and monthly basis, the payroll scheduling software can identify trends and patterns in sales and then automatically account for this when drafting the roster. This allows for a level of cost control that leaves the faithful spreadsheet in the dark ages.

Once a roster has been established, it is, unfortunately, subject to a continual onslaught of changes whether it be due to staff emergencies or a global pandemic! For many businesses, it is these subsequent changes to the roster that are tiresome to administer and lead to costing blowouts. With dedicated mobile applications, the roster becomes more flexible and easier to manage as circumstances change.

Directly from the app, staff can request shift swaps, communicate with other team members, and instantly receive shift schedules and reminder notifications. The all-knowing nature of the software makes finding last-minute coverage for sick staff or an unexpected surge in customers simple.

The software can automatically suggest and offer the shift to staff members who have suitable levels of training whilst also monitoring any hours already

worked to ensure that unnecessary overtime isn't incurred and ensuring any maximum hour limits for employees aren't breached.

Not only can these programs help to manage staffing costs more effectively, but many of them also provide human resources support. It can be both time-consuming and confusing for businesses to correctly interpret and apply the Fair Work awards. Not to mention the fact that the awards are being continuously updated, so ensuring you remain compliant can become a major headache.

***As many of these programs can integrate directly with Fair Work, they can provide clarity when determining the appropriate award for employees and ongoing updates as the relevant awards change.***

In addition to simplifying and keeping businesses up to date with ever-changing Fair Work requirements, many of these apps can also assist in streamlining the onboarding process. With such a transient workforce, there is often a continual stream of new employees that need to be inducted. Traditionally, this would mean numerous forms and checklists, all of which then must be manually entered into the payroll software.

***By allowing businesses to customise their own forms delivered via mobile applications, getting new employees set up becomes a breeze with all the sensitive information entered being used to automatically build out a new employee profile ready to process pay runs. In addition to this, the onboarding process can include training and procedural information right through to uniform ordering and setting up working days/limitations for your automatic rostering.***

Whilst we might all be suffering from some change fatigue as a result of the STP roll out, many of these dedicated payroll solutions can provide valuable time-saving and cost control benefits that can't be overlooked. **There are several different software options available with varying levels of functionality which allow businesses of all sizes to find an option that suits their needs and budget.**

By implementing the perfect business solution, let's make your rostering nightmares a thing of the past.



## THE POWER OF BEING UNDERSTOOD

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