

அவுஸ்திரேலிய தமிழ் வர்த்தக சங்க செய்திமடல்

ATCC

# ATCC NEWSLETTER



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## Newsletter Editorial Committee

Shanmugapriyan Rajaram  
Vindran Vengadasalam  
Theo Soumyaraj

## Article Contribution

Thiru Arumugam  
Indu Kanniyar

## ATCC ANNUAL EVENT

First ever virtual annual event, “Annual Tamil Business Night 2020” held on Saturday 24th October ‘20. ATCC would like to thank our special Guest, **Maha Sinnathamby, Chairman of Springfield City Group** for sharing his journey to success, his valuable learnings and experience. We would also like to thank participants, volunteers, sponsors, **Prof. Praveen Sultana** for the motivational speech, our excellent entertainers from India and our host, **Ponraj Thangamani. Well Done ATCC!!!!**

ஆஸ்திரேலியன் தமிழ் வர்த்தக சங்கமேளனம் வழங்கும்

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WWW.ATCC.ORG.AU

AUSTRALIAN TAMIL CHAMBER OF COMMERCE INC PRESENTS

ANNUAL TAMIL BUSINESS NIGHT 2020 ZOOM WEBINAR

SPEAKERS

DR. MAHA SINNATHAMBY AM  
CHAIRMAN (SPRINGFIELD CITY GROUP)  
“STOP NOT TILL THE GOAL IS REACHED”

24<sup>TH</sup> OCTOBER SATURDAY 5.30 TO 8.00 PM

PROF. DR. PARVEEN SULTANA  
TAMIL ORATOR, WRITER, EDUCATIONIST  
MOTIVATIONAL SPEAKER AND DEBATER  
“வானம் வசப்படும்”

ENTERTAINERS

SRINISHA JAYSEELAN  
PLAYBACK SINGER

AJAY KRISHNAA  
PLAYBACK SINGER

KARTHIK DEVARAJ  
VJAY TV FAMOUS MUSICIAN

## ATCC Gold Sponsors



# ATCC EVENTS – JUNE TO DEC 2020

## 2020 ATCC ANNUAL EVENT

Since March 2020 and the repercussions of COVID-19, there's been a decline in ATCC's activities based on collective attendance. We know that social separation has mental, physical and emotional ramifications and that people instinctively want to come together to enjoy communal experiences. Luckily, we've seen the events community band together and turn this adversity into creative energy, leading to the evolution of new innovative forms of live social interaction—albeit at a distance. As such ATCC committee decided to organise it's first ever virtual annual event, **"Annual Tamil Business Night 2020"** on Saturday 24th October '20.

Event started with our dynamic **MC Ponraj Thangamani** welcoming members and explaining the purpose of ATCC existence. This was followed by speeches from **Michelle Rowland MP, Shadow Minister for Communications and federal member for Greenway** and **Hugh McDermott MP, member of Prospect. ATCC President Thiru Arumugam** then spoke about ATCC activities in 2020.

Our Chief Guest **Dr. Maha Sinnathamby, Chairman Springfield City Group** then delivered a thought provoking speech. He took us through his journey to success, sharing his valuable learnings and experience with our members.

Our Chief Guest speech was followed by entertainers all the way from India, **Vijay TV famous musician Karthik Devaraj, playback singers Srinisha Jayseelan and Ajay Krishna**. One of the best online live performance and tribute to SPB touched everyone's heart.

Our annual event concluded with **Prof. Parveen Sultana's** motivational speech from India. She spoke of 5 intelligences of human beings; IQ (Intelligence quotient), EQ (Emotional quotient), SQ (Spiritual quotient), CQ (Curiosity quotient) and AQ (Adaptability quotient).

Our first virtual annual event was a great success with approximately 150 online attendees. These events cannot be successfully organised without the support from our sponsors and voluntary committee members. A big Thank you for your continuous commitment and dedication to ATCC.

**Theo Soumyaraj**  
**President, Australian Tamil Chamber of Commerce**

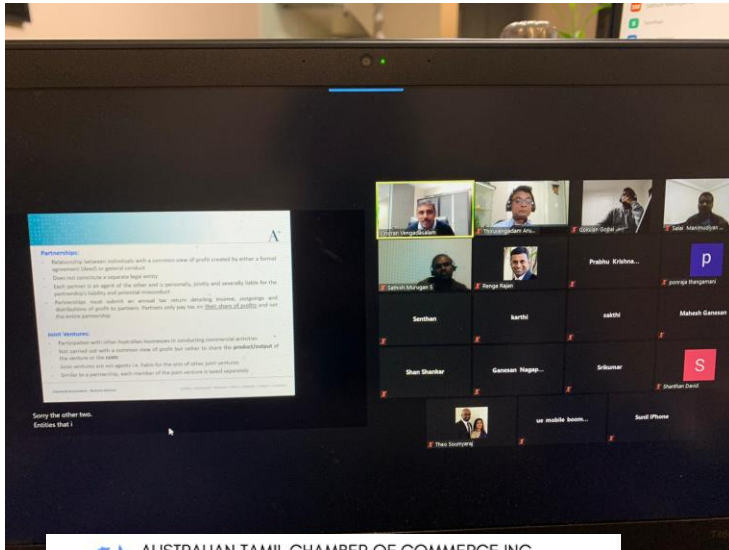
**Special Thank You to ATCC Sponsors**



**ATCC would also to thank all Volunteers. Special thanks to our Host, Ponraj Thangamani and our Event IT Coordinator, Senthana Sachayan**



# ATCC NETWORKING



**ATCC** AUSTRALIAN TAMIL CHAMBER OF COMMERCE INC.  
EMPOWERING TAMIL BUSINESSES AND COMMUNITY IN AUSTRALIA

**BUSINESS WEBINAR**

## BUSINESS STRUCTURE FOR START-UP COMPANIES

**Wed - 05 - AUG - 2020 7.00 PM - 8.30 PM**

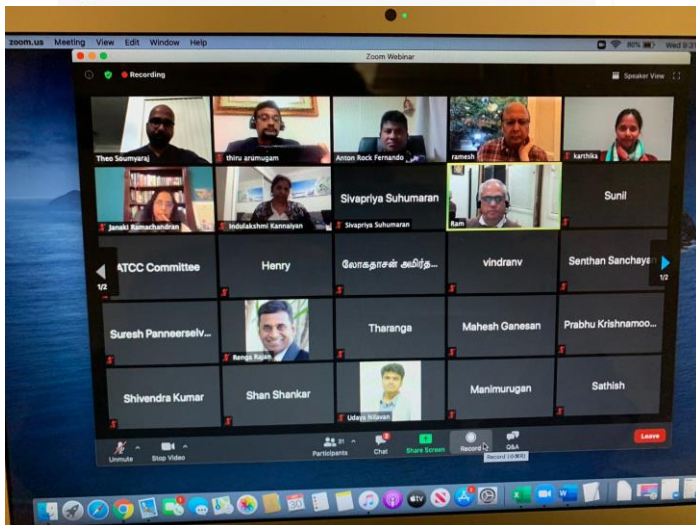
Join Zoom Meeting : Meeting ID: 875 855 919 17

[CLICK TO JOIN](#)

**Mr Vindran Vengadasalam**  
Partner , Accru Felsers

FOR MORE DETAILS

VIJI 0423 044 177 / ANTON FERNANDO 0428 052 533



**ATCC** AUSTRALIAN TAMIL CHAMBER OF COMMERCE INC.  
EMPOWERING TAMIL BUSINESSES AND COMMUNITY IN AUSTRALIA

**BUSINESS WEBINAR**

## PLANNING YEAR END INCOME TAX

**Wed - 24 - June - 2020 7.00 PM - 8.30 PM**

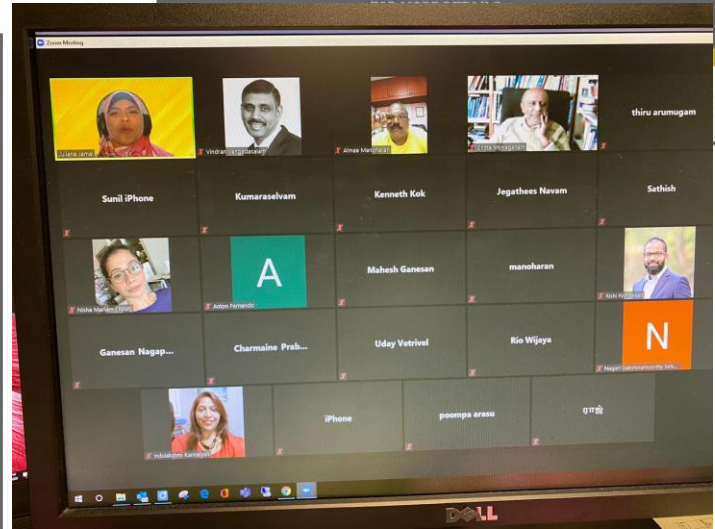
Join Zoom Meeting : Meeting ID: 863 1073 1254

**Mr Shan Shankar**

Principal of Tax Guru Accountants , Registered Tax Agent  
Member of the National Tax and Accountants Association

**M.Ravichandran**

Accountant & Registered Tax Agent  
Licensed Real Estate Agent, Auctioneer and Strata Manager



## HOW TO EFFECTIVELY PRESENT YOURSELF ON SOCIAL MEDIA

**Wed - 02- Sep - 2020 7.00 PM - 8.30 PM**

Join Zoom Meeting : Meeting ID: 814 003 7115

**Juliana Jamal B.Econ, MBA, DTM**

Trainer/Assessor/Communication Coach TLC Academy

To exude your presence on social media  
Best practices when recording yourselves on video

[CLICK TO JOIN](#)

FOR MORE DETAILS

CONTACT VIJI 0423 044 177 VINDRAN - 0423 624 809



# ATCC NETWORKING

**AUSTRALIAN TAMIL CHAMBER OF COMMERCE INC.**  
EMPOWERING TAMIL BUSINESSES AND COMMUNITY IN AUSTRALIA

**BUSINESS NETWORKING EVENT**

## LESSONS IN DEVELOPING AN INTERNATIONAL BUSINESS

WEDNESDAY 30TH SEPTEMBER 2020 9.00 PM

**RAMESH IYER**  
FOUNDER & CHAIRMAN OF IMMCO INC.  
INTERNATIONAL TELECOM ENGINEERING & SOFTWARE FIRM

Join Zoom Meeting : Meeting ID: TBA

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Understanding International Business Markets  
Expanding Small Business Operations  
Strategy Development  
Leveraging Digital Trends

FOR MORE DETAILS / RSVP TO [AUSTAMILCC@GMAIL.COM](mailto:AUSTAMILCC@GMAIL.COM)  
CONTACT ANTON 0428 052 533 VINDRAN - 0423 624



**AUSTRALIAN TAMIL CHAMBER OF COMMERCE INC.**  
EMPOWERING TAMIL BUSINESSES AND COMMUNITIES IN AUSTRALIA

**BUSINESS NETWORKING EVENT**

## PROTECT & REINVEST YOUR ASSETS FOR SMALL BUSINESS OWNERS

WEDNESDAY 25TH NOVEMBER 2020  
7:00PM - 8:30 PM


JOIN ZOOM MEETING:  
MEETING ID: 856 2984 7220  
PASSWORD: ATCC

**RAJ RAJASINGAM**  
Certified Financial Planner  
Emmaus Financial Planning Pty Ltd

---

Manage and improve financial situation  
Design and implement strategies to achieve financial goals  
Financial products options

Contact: Anton 0428052533 Vindrán 0423624809  
Email: [austamilcc@gmail.com](mailto:austamilcc@gmail.com)



## ATCC AGM was held on 10 Dec 2020. Introducing the committee members for 2020/21

Name	Position
Theo Soumyaraj	President
Anton Fernando	Executive Vice President
Shan Shankar	Vice President - Finance
Shanmugapriyan Rajaram	Vice President - Community Relations
Indu Kannian	Vice President - Internal Affairs
Vindiran Vengadasalam	Vice President - Membership
Mahesh Ganeshan	Committee Member
Raja Pradeep	Committee Member
Jeyaprakash Narayanan	Committee Member
Kumarathevan Selvaraj	Committee Member
Heny Knight	Committee Member
Viji Veerasamy	Committee Member
Jagadesh Kandaswamy	Committee Member
Udaya Nilavan	Committee Member
<b>ADVISORS</b>	
Thiru Arumgam	Immediate Past President & Advisor - International & Interstate



Australian Tamil Chamber of Commerce  
Initiating

*Blood Donation*  
26th Dec 2020 Saturday  
Time: 10am-11am



**1 in 3 people will need blood.  
We give it.**

Join ATCC Lifeblood Team.

Give life. Give blood.

lifeblood teams

## Well done ATCC Team

ATCC's first blood donation drive  
on Boxing Day - Hats off to all  
volunteers who donated blood



PIC • COLLAGE

# WORLD TAMIL ECONOMIC CONFERENCE 2020 - VIRTUAL GLOBAL ECONOMIC SUMMIT

Virtual Global Economic Summit 2020 & Seventh World Tamils Economic Conference was held between 28th, 29th & 30th December via Zoom online. The Conference was organised by the World Tamils Economic Foundation and Madras Development Society.

The Conference presents a unique, dynamic forum to promote dialogue among Tamils businesses, International Tamil Chamber of Commerce and Business Association with the International community, business leaders and professionals worldwide to create close co-operation and partnership for economic development. The conference attract speakers around the globe will be sharing their valuable insights on various topics including emerging business opportunities, investment, global business and legal scenario,



world peace and conflict resolution. The Conference is also a good avenue for the participants to interact, hear and networking with renowned speakers and other international participants.



At the conference, wide range of topics are presented and discussed including Global Economic situation, opportunities and challenges, World Peace and Conflict Resolution through Economic Development.

ATCC was represented by ATCC's Ex. President, Thiru Arumugam. Thiru spoke about the importance of Networking among Tamil Business.

The Virtual Conference was well attended. ATCC would like to thank the Conference organisers for inviting ATCC representative. ATCC representative have attended four of the seven international conferences.

**VIRTUAL GLOBAL ECONOMIC SUMMIT 2020  
SEVENTH WORLD TAMILS ECONOMIC CONFERENCE**

ZOOM ID : 874 4580 5170 PASSCODE : 592754

**29th December 2020 (10.00 A.M. to 1.00 P.M. IST)**

<b>10.00 A.M. - 1.00 P.M. (IST)</b>	: <b>Paper Presentation</b>
<b>Chair</b>	: <b>Tan Sri Professor Dr. T. Marimuthu</b> Former Minister, Malaysia
<b>Opportunities for Indian Businesses in Australia</b>	: <b>Mr. P.S. Karthigeyan, IFS</b> Deputy High Commissioner of India to Australia
<b>Business opportunities through Veterinary and Animal Science</b>	: <b>Dr. C. Balachandran,</b> Vice-Chancellor, Tamil Nadu Veterinary and Animal Sciences University
<b>Poverty Alleviation through Corporate Social Responsibility</b>	: <b>Dato Dr. Siva Ananthan</b> Advisor, GV Corporate Advisory, Kuala Lumpur
<b>Networking as a Potential Source for Promoting Prosperity</b>	: <b>Mr. Thiruvengadam Arumugam</b> Founding President, Australian Tamil Association President, Australian Tamil Chamber of Commerce
<b>The future of OTT</b>	: <b>Dr. N.C. Rajamani</b> CEO, Tamrasys (M) Sdn Bhd, Kuala Lumpur, Malaysia
<b>Women Empowerment in education</b>	: <b>Ms. Karthika Viknarasah</b> Director, Early Childhood Education Centre, Sydney, Australia
<b>Accelerating Digital Economy and its implications on Businesses</b>	: <b>Dr. Kabaly P Subramanian</b> Senior Faculty - MBA Program, Arab Open University, Muscat, Oman.
<b>A navigation through the next normal</b>	: <b>Mr. Vasudevan Kidambi</b> Managing Director & Digital Transformation Coach, Navo Management Consultants, Dubai
<b>COVID situation and its impact on economic development</b>	: <b>Mr. Mohan Narayanan</b> Singapore Indian Chamber of Commerce & Industry, Singapore
<b>European Union International Trade</b>	: <b>Dr. T.K.S. Villalan</b> Professor of Economics (retd.) Pachaiappa College, Chennai
<b>Social media and its impact on small and medium enterprises</b>	: <b>Ms. Lakshmi</b> Journalist, Muscat
<b>Vote of Thanks</b>	: <b>Dr. A.N. Purushothaman</b> Advocate, Madras High Court



# How to present yourself in zoom networking meeting

Networking skills doesn't come easily to most of us, but it's not complicated. For some it is natural but for most of us, they're an acquired talent and require practice over time. Many of us have a range of potential talents but we miss the opportunity to build the rapport with other networking contacts. Eventually, we end up struggling to build strong networks.

In business, it's all about whom you know. That's why networking is such an important skill to master. Whether you're chatting with someone in an elevator or attending an industry conference, you will never know whom you'll meet — and that's precisely why you must start the conversation to start knowing the other person.

The below are the essential key points to hone your skill and shine at networking events.

## Planning

Whether they are live events or an online meetings industry events are important for getting to know more people within your world, and I can guarantee that the more events you go to, the smaller your world will become. So how can you get invited to industry events? Make it known that you're ready and eager. Talk about your passion to your friends, colleagues, mentors and acquaintances. It sounds so simple, but just talking about your passions is a great way to get along with healthier conversations. People you talk to might have attended on an event, recommendations for people who might have event connections in that space, or just interesting introductions to help you out with.

## Be a Good Listener

You might think networking is all about what you say, but listening is actually an essential skill to bring to your next event. The person with whom you're speaking will tell if you're not paying close attention to what they're saying. Asking thoughtful questions in response to what you hear is one way to show that you're



## NETWORKING

listening. Exhibit smart body language (eye contact, hand gestures, smile). Not only will your listening skills make a good impression, but you'll gain something from them, too. You'll learn about the person you're speaking to, and you'll figure out quickly what value you can gain from one another. Also, you'll build a valuable connection much more quickly this way.

You won't simply exchange business cards and walk away — you'll remember their name, and you'll more likely connect later, too.

### **State your purpose**

To introduce yourself effectively at a networking event, attend the event with a prepared brief statement about who you are. The statement should include your first and last name, essential information about your company or target industry and a key detail about yourself. Keep your introduction brief by giving details like your title or more information about your business. If the conversation continues, you will have opportunities to offer more information.

For the key detail, try thinking of something that might help your new contact remember you or interest them in speaking further with you. It could be something you value, your focus in the workplace or your reason for attending the event. You should also be prepared to discuss this point further, as it might prompt the person you meet to ask for more information.

### **Mention a detail about the event**

Comment about a speaker, a topic, the location or a similar event you attended. If you don't know anything about the other person, what you have in common is your presence at the event, so use it to your advantage. For instance, you could say "I enjoyed (speaker's name) point about time management in her presentation. What did you think?"

### **Body language**

In Zoom meetings we have a controlled environment and only the screen space.

Both your words and your body language can enhance first impressions. Controlling your body language is essential for staying poised and professional in a new introduction.

When you introduce yourself to someone, you can demonstrate confidence by speaking in a clear and audible voice.

During your conversation, maintain natural body language with relaxed shoulders and open arms by your side. If you are seated, use hand gestures to draw the audience's attention.

Your eyes should focus on the camera on your laptop and not on the screen. Turn on the camera while you are introducing yourself or asking the host a question. A gentle smile throughout the conversation goes a long way.

### **Follow up and don't forget the basics**

After an event, send follow-up emails to your contacts, thank everyone you spoke with, and complete any promised actions. Even if you haven't made commitments, stay active and develop your new relationships. If you're inviting people to your networking events, always send a 'thank you' note and follow up with a conversation.

Building relationships with people who you feel are knowledgeable and reliable, can provide you with the guidance and help you want, to get you to your goals. And these relationships aren't a one-way street: you will also meet people who can benefit from your support. In this way, you'll build a professional circle over time, one based on the idea that goodwill should be paid forward. By coupling networking with your online job search strategy, you will exponentially increase your opportunities for success.

The writer of this article runs a successful coaching classes.

Please contact Indu Kannaiyan – 0432 305 577



## Small Business News

### *Businesses can get \$10k a year for each new employee.*

**Businesses could potentially receive up to more than \$10,000 over a year for each eligible additional employee hired through JobMaker Hiring Credit Scheme** which is aimed at helping young people who have been disproportionately affected by COVID-19.

Eligible employers can receive payments for each eligible additional employee they hire between 7 October 2020 and 6 October 2021 of:

- up to \$10,400 over a year for each one aged 16 to 29, and
- up to \$5,200 over a year for each one aged 30 to 35.

The ATO called on eligible employers to:

- register using ATO online services, Online services for business or the Business Portal, or through a registered tax or BAS agent;
- nominate their eligible new employees by having their employees complete a JobMaker employee notice, running payroll events and supplying the required additional information through their Single Touch Payroll-enabled software;
- claim using ATO online services, Online services for business or the Business Portal, or through a registered tax or BAS agent.

Eligible employers can start claiming payments in arrears every three months from 1 February 2021 for up to 12 months for each additional eligible employee. Employers only need to complete three simple steps to receive the JobMaker Hiring Credit payments. The benefits for business are two-fold. Not only will the business receive stimulus support in response to the COVID-19 pandemic, they will also support a young person's career.

## Small Business News

*Are you experiencing financial issues or foresee problems in the future???? New legislation to support Small Businesses – contact our specialist for more information*

### New Restructuring and Insolvency Processes for Small Business

#### **Introduction**

To support small businesses adversely affected by the COVID-19 pandemic, the Federal Government announced a package of reforms to the corporate insolvency framework to:

Allow an eligible small business to restructure their debts and maximise their opportunity for survival (known as the small business restructuring regime); and

Provide a simplified liquidation process for eligible small businesses that is faster and cheaper (known as simplified liquidation regime).

The Federal Government fast-tracked these reforms and the new processes became available from 1 January 2021.

#### **Small Business Restructuring Process**

The small business restructuring process allows business owners to retain control of their business while preparing a plan to restructure their debt with the assistance of a restructuring practitioner (a registered liquidator) for a fixed fee.

The ultimate aim of the process is to allow eligible small businesses that are in financial trouble breathing space to develop a restructuring plan, which sets out how the business will repay its creditors over a maximum period of 3 years.

During the restructuring process, the directors, with the assistance of the restructuring practitioner, will develop a debt restructuring plan. The debt restructuring plan must be proposed to the creditors within 20 business days of starting the restructuring process. Creditors then have 15 business days to vote on the plan.

The restructuring plan must set out the property which will be subject to the plan and how the company proposes to deal with the claims of eligible creditors. For example, the restructuring plan could specify that the company makes monthly contributions from ongoing trading profits over a period of 2 years forming a fund which will provide a cents in the dollar return to creditors with regular payments to creditors during the 2 year period.

**Set out is an illustration of the process.....next page....>>>>**

## Small Business News



To be eligible to access the small business restructuring regime, a company must meet the following criteria:

- The company must not be under any form of external administration (voluntary administration, liquidation, etc.);
- The company's total liabilities (excluding contingent) must not exceed \$1 million (including secured creditors, related parties, unsecured creditors, employee liabilities, government debt, etc.);
- Neither the director (current or in the previous 12 months) or the company have done a small business restructure or simplified liquidation in the last 7 years; and
- The directors must resolve that the company is insolvent or is likely to become insolvent at some future time.

## Small Business News

The main advantages of the new small business restructuring process over existing voluntary administration are:

- The fixed fee is to be determined upfront prior to the commencement of the restructuring process;
- Directors' retain control of the business during the process;
- There are no meetings of creditors;
- Only affected creditors (excluding related party creditors of the Company) can vote on the proposal;
- Voting is done by proposal (voting slips); and
- If the restructuring process or restructuring plan is terminated, existing insolvency regime can be used by the company and/or third parties.

During the restructuring process directors retain control of the business and can enter into transactions that are in the ordinary course of the business. However, transactions that are outside the ordinary course of the business require the approval of the restructuring practitioner. For example, the sale of the business or its plant and equipment.

The reforms also extend the temporary insolvency relief measures for eligible companies, being:

- temporarily increasing the statutory minimum amount (equal to or greater than \$20,000) and compliance period (6 months) for a statutory demand; and
- insolvent trading relief for up to 3 months

To access this relief, the director must declare their intention to access the restructuring process by publishing the declaration on the ASIC published notices website from 1 January 2021 and lodging the requisite form with ASIC. However, by making this declaration, a restructuring practitioner must be appointed by 31 March 2021.

The restructuring process provides eligible businesses with a valuable tool and a cheaper alternative to voluntary administration. However, it may not be suitable for all business and professional advice should be sought prior to commencing the process.

### **Simplified Liquidation**

The proposed simplified liquidation process provides directors of eligible companies with the opportunity to convert a standard voluntary liquidation to a simplified liquidation within 20 business days of the commencement of the liquidation. This is done by providing the liquidator with a specific declaration within 5 business days of the appointment.

In the declaration, the director declares that on reasonable grounds that the eligibility criteria for the simplified liquidation process will be met and the reasons for the opinion, and whether the company has entered into a transaction that would be voidable under Section 588FE of the Act (excluding preferential payments).

## Small Business News

At least 10 business days prior to adopting the simplified liquidation process, the liquidator must provide creditors with a statement that the liquidator believes that the eligibility criteria will be met, an outline of the process and a statement that the liquidator will not adopt the process if at least 25% in value of creditors direct the liquidator not to adopt the process.

To be eligible to access the simplified liquidation process a company must meet the following criteria:

- The company's total liabilities (excluding contingent) must not exceed \$1 million (including secured creditors, related parties, unsecured creditors, employee liabilities, government debt, etc.)
- Neither the director (current or in the previous 12 months) or the company have done a small business restructure or a simplified liquidation in the last 7 years;
- The company has given returns, notices, statements, applications or other documents as required by taxation laws to the ATO;
- A report on the company's business affairs has been provided to the liquidator; and
- A declaration of eligibility for the simplified liquidation process has been completed by the director.
- The main differences of the simplified liquidation process over the standard liquidation process are:
  - No meetings of creditors or committees of inspection;
  - The criteria for preferential payments to unrelated creditors are limited to payments greater than \$30,000 and made within 3 months of the date of liquidation,
  - Creditors are unable to appoint an alternative liquidator;
  - Simplified reporting to creditors;
  - If funds become available to pay creditors, the liquidator is only able to make one dividend payment;
  - ASIC and creditors cannot appoint a reviewing liquidator; and
  - The Liquidator is not required to prepare an investigative report to ASIC pursuant to Section 533.

The proposed simplified liquidation process is intended to introduce efficiencies to streamline the liquidation process for eligible companies and reduce the overall costs of the process.

Greengate Advisory, a specialised insolvency firm with registered liquidators and restructuring specialists, are available to provide clarification in regard to the new regimes (as well as voluntary administration and voluntary liquidation) and provide directors with advice regarding their options that is specific to their situation and easily understandable.

The writer of the above article is a Insolvency Specialist. **Please contact John Chand, Associate Director - [john.chand@ggadvisory.com.au](mailto:john.chand@ggadvisory.com.au) or**



# Depreciation, Instant Asset Write Off and Business Valuations

The 2020 Federal Budget brought an important change for business owners. The change stated that small and medium businesses 'can claim an immediate deduction for the business portion of the cost of assets in the first year the asset is used, installed or ready to use'. During the difficult times related to COVID-19, the threshold for the instant asset write off was raised to \$150,000. However the Federal Budget announcement goes even further, allowing businesses with aggregated turnover under 5 billion to claim an immediate deduction for the full cost of any eligible assets acquired/installed before 30 June 2022, thus encouraging increased business investment.

While not all businesses are currently in a position to further invest in equipment or other assets, we anticipate substantial increased investment for many of the clients we prepare valuations for. However in considering such investment, it is important that we understand the basics of a Business Valuation.

Most businesses are valued on a multiple of their future maintainable earnings (otherwise known as 'expected annual profit'). Therefore, the impact of large purchases on the ongoing profit of the business needs to be considered, particularly in relation to recent Budget announcements.

## **Instant Asset Write Off**

On face value, 'instant' (or immediate) asset write-off is a one-off, non-recurring cost which would be either excluded, or adjusted for, in a business valuation. It is important to consider the annual 'charge' for the equipment. To do this a business needs to address questions such as:

- ❖ How long will the asset last?
- ❖ Will the asset provide excess capacity that is not utilised?
- ❖ What might you pay for the asset if you leased it from an arms-length provider (where the lessor and lessee do not directly influence each other)?

## **Depreciation**

Similar to the instant asset write off, generous tax provisions enable many small businesses to depreciate assets (claim them over time) at an accelerated rate. An example of this is the depreciation of a computer. Tax legislation, prior to the instant asset write-off concessions mentioned above, allows for a computer to be written-off over three years. However, some businesses find a computer is still useful to them after this time.

Depreciation is often an amount greater than the decline in value of the asset. In these circumstances the depreciation can be adjusted in the valuation. Adding back some of the depreciation would in turn increase ongoing profitability in these circumstances.

## Profit on disposal or sale of assets

Given that the instant asset write-off records assets as having a 'nil' value for tax purposes, we are now expecting to see an increase in the profit on sale of assets in the future. This will occur when an asset is sold above a zero price. In a business valuation, this is added back entirely as it is both 'one off' in nature and not core to business operations.

## Net Asset Valuation

If there is no profit line in the business, it will sometimes need to be valued based on its net assets (assets minus liabilities). This valuation method considers the value of the assets at the date of valuation, e.g. if you have a piece of machinery that is three years old what is its estimated worth? It is important for this purpose, and record keeping more generally, for the assets to be added to your depreciation schedule/asset register and fully depreciated.

If you have questions on how your business decisions may impact the value of your business, [please call your Accountant to explore this](#). Article by Accru.

## Benefits..... ATCC Membership

- ❖ Need additional business contacts? ATCC holds monthly Networking Events for members to meet and exchange ideas, develop business relationship and increase business and professional network.
- ❖ Assistance in a wide range of areas including, financial consultancy, legal advice, migration visas and other business areas.
- ❖ Promoting trade among members, local and overseas community.
- ❖ Invitation to ATCC's Events, Trade Show and Tamil Business Awards Night.
- ❖ Access to ATCC business directory to provide you the tools designed to help your business succeed.
- ❖ Involvement Opportunities with ATCC to have a direct impact on the future of your community while promoting your business.
- ❖ Access to the ATCC business directory and various sources of information.
- ❖ Current news and information from the ATCC's newsletters featuring business news and upcoming events.

## Contact Information:

Contact us via:

Email: [austamilcc@gmail.com](mailto:austamilcc@gmail.com)

Or ATCC contact –

For membership - Vindran on 0423 624 809 or Mahesh on 0470 131 091

For newsletter and online advertisement - Priyan on 0405 434 013

For networking event - Anton on 0428 052 533

ATCC Banking Details:

Australian Tamil Chamber of Commerce Inc.

BSB: 032 071 Account No: 573 099

## How to deal with business disruption: Three recommendations

New technologies, discoveries and inventions have always created changes in business, but when the COVID pandemic hit this year, the pace of that change **increased exponentially**



In order to survive, most businesses had to make major shifts in the way they operated and delivered or sold products. Some businesses that got creative actually found entirely new markets and new ways to reach customers.

Yet even before the COVID crisis, businesses were facing ongoing transformation. For example, look at what happened to the taxi industry when Uber came along, to retail businesses with the international growth of Amazon, or to hotels with the rise of AirBnb. In all those cases, traditional businesses took a huge hit, losing customers and profits.

Whether due to technological advances, new business models or pandemics, change will only continue – so how do you prepare for disruption and make sure your company survives and even thrives?

There are things you can do that will help – and maybe even make *your* business a disruptor in the industry. Here are **three recommendations** on how to deal with, and prepare for, business disruption:

- **Listen to customers**

Don't assume that customers are afraid to change. When given new options that meet their needs and **solve their problems**, consumers will quickly latch on to a different model, provider or service. For instance, this year, many customers turned to mobile payment and home delivery options to get the supplies they needed.

Now is a great time to ask your customers about what their problems or pain points are and **listen carefully** to their answers. Online programs like SurveyMonkey Alchemer and SurveyPlanet allow you to send out fast, easy surveys to customers. If they tell you about issues with your product or service – or ways a competitor does things better – take note. Then, with customer feedback in mind, **look for new and innovative ways** to solve problems or simplify processes within your business.

- **Build loyalty through personalisation**

Amazon has continued to grow during COVID for many reasons, but in part because they personalise the customer experience extremely well. When you buy something from them, they recommend something else they think you'd like, or they email you that it's time to order the same thing again or allow you to set up an ongoing subscription.

By capturing information about what each customer wants and buys – and then using that information to re-sell and up-sell – Amazon **makes the buying process simpler** and easier for customers, and thereby builds loyalty that keeps customers coming back.

If you can gather data on customer wants and preferences, and then **use that data to anticipate their needs** while helping them save time, you'll make it easy for them to remain loyal to your business

- **Be ready, both strategically and financially**

Change **will** come again in your industry – with or without a pandemic – and it will create both challenges and opportunities for your business. In order to tackle those challenges and take advantage of opportunities, you'll need to be financially secure, ready to spend money on finding (and possibly retraining) employees and altering parts of your business.

If you have a strategic plan and are financially prepared, you can beat your competition, gain revenue, grow and establish your business's security for the next era.

*Remember:* Disruption is not the enemy – if you're prepared, it could be the best thing that's ever happened to your business. Article by Accru.

## Handing over the reins – what to consider if children take over the business

All business owners have been building and growing their business over a number of years. As time goes on, all businesses need a succession plan. A succession plan outlines the steps to take before retirement. These plans are often multiyear arrangements before the eventual transfer of ownership and can take many forms.

The purpose of this article is to assist you in focusing on the transfer of the business to the children of the current owners. As is often the case, when many business owners initially consider succession planning, their thoughts are simply that their children will take over when they want to retire. While this is a worthy goal there are still plans and discussions that should be completed prior to the retirement of the owner. Each family is unique in the needs they have when it comes to passing on the ownership of a business. However, following are some of the common considerations and issues which arise with the transfer of a business to the children.

### Planning

A plan should be completed well in advance of any changes in ownership. This will allow you the time to complete any of the requirements below prior to transferring the ownership interest to the children. Depending on your particular circumstances, determining a tax efficient and manageable outcome for the business sale can be a lengthy process. While the process can be completed in a short timeframe, doing so can often lead to less desirable outcomes for the business and the former owner.

### Communication

Have you spoken to the children and are they willing to take over? If there is more than one child, how will control of the business be structured? There is no point re-structuring the business and subsequently discovering that your son or daughter does not want to take over the business. Therefore you, in communication with your advisor, need to ensure that common ground between parties is found in relation to the timeframe and future operations of the business.

What about your other children that may not currently be a part of the business? Are they going to accept that their sibling is taking over? Are they being compensated via other assets outside the business structure? These are tough conversations to have. However it is paramount these discussions are had in order to limit family disunity in the future.

Another consideration is whether there are key employees in the business that are hoping to buy the business? Discussions should be held with these key employees to address and manage their expectations. At such a critical stage, the last thing you want is for key employees to walk away due to a miscommunication of expectations.

## **Training**

Your children may have been involved in the business for a long time. However once they take over they will need to learn all aspects of your business. For example, a child that has been working successfully in the sales area, may need additional training or education in the administration, supplier management or employee management side of the business. These skills need time to be acquired and need to be gained prior to the transfer of the business.

## **Financial Expectations**

Much of your personal wealth is often reinvested into the business. When planning for a restructure, you must ensure you have sufficient assets for retirement while considering the future funding requirements of the business.

As part of this discussion there are various questions to consider including as:

- ❖ Are you going to maintain an interest in the business after the changeover?
- ❖ Are you going to receive an income stream from the business into the future?
- ❖ What is the value of the ownership interest being transferred?
- ❖ Is there vendor finance involved in the transfer? If so, how will this be repaid in the future?
- ❖ Are you going to continue to work or consult for the business after the changeover? If so, what financial arrangements are being made?

The answers to each question will depend on your family circumstances and the business itself. Discussions such as the above are critical to the continued success of the business and a smooth retirement of the current owners.

The transfer of a business between generations is often more complicated than a sale to an external party. The key components to completing the transfer are to communicate openly, find common ground for the transfer, and set realistic expectations. Article by Accru.

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