

Editorial Note

Welcome to the latest edition of the Pilot Directions newsletter.

With domestic interest rates increasing again this quarter, and the evolving global political landscape, many individuals and businesses remain cautious of what lies ahead for the Australian economy.

Heading into the new calendar year we remain focused on assisting our clients with their cash flow planning and management, tax planning, and governance measures,

to ensure they are prepared for the coming year, and to drive the success and growth of their business.

With many business owners potentially having time on their hands over the Christmas and New Year break to plan for 2024, our Business Strategy and Planning article should provide food for thought and some tips to help set your business up for a strong year ahead.

This edition we also reveal some of the findings of the latest Top 1,000 report, which demonstrates how the complexities of the Australian Tax system have even the largest companies falling short of paying the right income tax and GST, and highlights the importance of strong governance within a business.

Finally, our client case study this quarter profiles Drew Group, a family-owned property and investment firm creating inspiring and sustainable residential spaces.

We hope you enjoy this edition. Thank you for working with us in 2023, we wish you and your families a wonderful Christmas and a prosperous new year.


BRIAN MCDONALD



Are you paying the right tax?

Do you know how many tax assurance review programs the Australian Taxation Office (ATO) has in place at any given time? 10? 20? 100? More?

Whatever the number, businesses should take note of the recent findings by the ATO, as even the largest public and multinational groups are being caught out by the growing number of review programs in play. While you would expect this group of entities to have the most stringent of governance systems and processes in place, and likely the highest investment in governance measures, many of them are not paying the right amount of tax.

This was one of the findings of the recently released ATO report relating to the Top 1,000 combined assurance program, which is part of the Tax Avoidance Taskforce.

The objective of the Top 1,000 combined assurance program is to increase the ATO's assurance that large public and multinational groups and APRA regulated superannuation funds are reporting the right amount of income tax and GST.

The latest report provides the ATO's observations and insights from the reviews undertaken in the year to 30 June 2023, including those relating to income tax and Goods and Services Tax (GST).

Through these reviews, the ATO obtained high assurance that only 24% of taxpayers have paid the right amount of **income tax** for the years reviewed. The ATO continues

to escalate cases for further review or audit due to specific concerns with identified positions, with 13% of reviews in 2023 being escalated.

Additionally, based on the outcomes of their GST reviews, the ATO has obtained high assurance that only 31% of taxpayers have paid the right amount of **GST** for the tax years reviewed. Approximately 4% of taxpayers reviewed in 2023 were escalated for further ATO action through a specific review or audit.

Contact Pilot

If you would like to review your governance systems and measures to ensure you have your tax compliance covered, contact your **Pilot advisor** on **(07) 3023 1300**.



Business strategy for the year ahead

Business strategy is the compass that guides a company toward its goals and objectives. Good businesses are like sharks, always moving forwards to ensure they survive.

Before creating your business strategy, you first need to evaluate the current state of your business. How 'fit' is your business? Are you training in the gym or are you just exercising? If you are training, you measure what you are doing and evaluate if it is working or not. If you are simply exercising, then you might just be going through the motions but not monitoring if it is making an impact for the better or worse.

Having a clear strategy is essential for measuring success, as it defines what a business does (and what it doesn't), who it serves, and how it competes in the marketplace.

What role does a business strategy play?

Business strategy is important as it:

1. Provides focus on the business goals and objectives. By having a clear strategy, businesses can stay focused on what they

want to achieve and avoid distractions to their goals.

2. Allocates resources effectively. A good business strategy allows businesses to use their resources (time, money, and people) in tasks focused on their aligned goals.

3. Helps businesses to compete effectively. A strong business strategy allows businesses to differentiate themselves from their competitors and identify unique opportunities in the market.

How do you create an effective business strategy?

There are several steps involved in creating a business strategy:

1. Define where your business is now! Do a SWOT analysis, identify your target market, why do your customers come back to you, who do you want to attract, and what is your value proposition?
2. What do you want the business to be in 5-7 years' time? The answer to this is different for every owner/people within the business. Set clear guidelines and expectations now before they become an issue later down the track.

3. Create an action plan on what you should be doing now to reach where you want the business to be in 5-7 years' time. This plan should be made up of specific actions and milestones to help the business stay on track. Share this plan with all stakeholders to make the business accountable.

Planning for the year ahead

As we head into the new calendar year, having a business strategy in place is essential for measuring success and ensuring your business is swimming ahead of your competitors. It is an indispensable tool that shapes the practical decisions and actions of the business, and keeps everyone accountable. By following the steps outlined above, businesses can create a strong and effective strategy that will help them achieve their goals in 2024 and beyond.

Contact Pilot

If you would like assistance with developing your business strategy and planning for the new year ahead, contact **Cameron Woodcroft** on cwoodcroft@pilotpartners.com.au or your **Pilot advisor** on **(07) 3023 1300**.



Client case study:

drew group.



Businesses experiencing growth often require specialist advisors to assist them in their transition from a smaller organisation into a larger firm. Pilot Partners provide expert accounting and advisory guidance to many growing businesses who require help with their tax, structuring, reporting, and business planning, to ensure strong governance and business success.

Background

Drew Group are a family-owned property development and investment firm with a history of excellence and a future based on innovation. With a robust skillset refined by experience, their projects combine community connection with elegant design to create exceptional, accessible, and sustainable residential spaces.

The Pilot team have worked with Drew Group for more than 15 years, assisting with accounting and tax advisory, asset protection and structuring, as well as the setting up of business processes and procedures, and helping with complex tax and accounting matters as their business has grown and evolved.

Solutions from Pilot

The longstanding relationship between Drew Group and Pilot Partners began with Pilot Partners' Brian McDonald introducing Jon Drew to the firm. Since then, Brian, Angela Stavropoulos, Catherine Choy, Murray Howlett, and the broader Pilot team have supported Jon and the Drew Group with their accounting, structuring and planning needs, assisting them through their growth from a small property developer into the successful organisation they are today.

"Pilot Partners are our trusted advisors, helping us deal with our accounting, tax, and planning requirements. However, they are more than that. With a similar ethos to our family group, they are always there for us, with one of the Partners or Managers available whenever we need them. They are more than our accountants, they are an extension of our organisation, helping

us with out of the box questions and various matters as they arise," explained Jon Drew, founder and managing director, Drew Group.

Looking Ahead

As Drew Group continues to evolve and grow, Pilot Partners will be there working alongside Jon and the team, watching intently as the prestigious Lagoon development takes shape on the Gold Coast, and supporting them with their advisory needs for this and any future developments. Environmental, Social and Governance (ESG) compliance is an area that is becoming increasingly important to Drew Group. The Drew Group's current Lagoon development is being built with a focus on sustainable living and a strong sense of community connection. Some of a long list of environmental features incorporated into this project include reaching a target of 6.5-star rating from Nationwide House Energy Rating Scheme (NatHERS) and designing each apartment to optimise the Gold Coast sunlight and natural ventilation. Drew Group promotes community responsibility as it is involved in several philanthropic endeavours. Pilot Partners is aligned to Drew Group's values and is ESG aware. As a progressive, forward-facing firm, Pilot will continue to assist Drew Group with meeting the ever-changing ESG and governance requirements, to comply with and stay ahead of current and future rules and regulations in this important space.

"It has been rewarding and inspiring to watch Drew Group grow into the business they are today. I have worked with Jon and Georgia since they first became clients of Pilot Partners, and it has been a privilege being involved with this family group over the years. We look forward to continuing to support this outstanding family group and enjoy working with such genuine professionals. We are proud of the strong connection Pilot Partners has with Jon, Georgia, their team and family, and they know we are only ever a phone call or email away to assist with their accounting, advisory and business planning needs," said Angela Stavropoulos, Partner, Pilot Partners.

About Drew Group

Since the development of their first project in 1982, Drew Group has directed every effort towards the continued pursuit of excellence and new possibilities. Being a family-owned and operated organisation defines the way they do business and allows them to grow in a way that presents unparalleled opportunities for their community.

While Drew Group are acknowledged and recognised for their premium standard of work, the way they work is just as important as what they do. This ethos places the vision of their clients at the forefront of every decision and underpins each stage of the process. When combined with an innovative nature and leading-edge tools, Drew Group projects offer an inherent balance of functionality, inspired design, and of course excellent value.

To learn more about Drew Group, visit www.drewgroup.com.au

To find out more about the Lagoon project, visit www.lagoonmainbeach.com.au or head to the Lagoon display suite to experience everything this unique property has to offer.

Learn More

To learn more about how Pilot Partners can assist with your business' needs, contact **Angela Stavropoulos** on astavropoulos@pilotpartners.com.au or call (07) 3023 1300.



Welcome to the Team

Pilot welcomes the following new team members.

Michael Di Tullio joined as an Accountant in the Corporate Advisory team. Michael has a Bachelor of Business with a major in Accounting from Queensland University of Technology.

Lauren Hine joined as a Graduate Accountant in the Business Advisory team, after completing a Bachelor of Business with a major in Accounting at Queensland University of Technology.

Sam Clark joined as an Undergraduate Accountant in the Business Advisory team.

Sam is studying a Bachelor of Business and Behavioural Science with a major in Accounting at Queensland University of Technology.

Michael Crump joined as an Undergraduate Accountant in the Business Advisory team. Michael is currently studying a Bachelor of Business/Commerce, majoring in Accounting at University of Sunshine Coast.

Jacob Day joined as an Undergraduate Accountant in the Forensics and Restructuring team. Jacob is currently studying a Bachelor of Business, majoring in Accounting and minoring in Finance at Queensland University of Technology.

Holly Kelk joined as an Undergraduate Accountant in the Corporate Advisory team. Holly is currently studying a Bachelor

of Business, majoring in Accounting at Queensland University of Technology.

Doris Ferguson joined the Corporate Advisory team as Executive Assistant.

Romirose Rimando joined Pilot as Administration Assistant and **Juliana Shoji** joined as Accounts & Administration Assistant, in the Finance and Administration team.

Congratulations

Congratulations to **Stephanie, Rebecca and Sara** who completed their CA studies recently.

Happy Pilot anniversary to **Anita Salmon** for 5 years with Pilot. Congratulations to Anita, and we thank her for her contribution and hard work.

SOCIALS & EVENTS Melbourne Cup Lunch



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