

# Southern Gazette

BELMONT

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## Be careful not to over-extend

BELMONT Business Enterprise Centre (BEC) chief executive Carol Hanlon said the continuation of the instant asset write-off scheme was welcomed by the small business community, but suggested owners should still explore their options thoroughly.

The scheme has been extended for another year, enabling small businesses to invest in equipment and resources.

"In these tough small business trading times, our guidance to small business owners would be to not over-extend purchasing commitments without full research on the need for this equipment, and projected increase in

sales the equipment, new fixtures or a vehicle will bring to the business," Ms Hanlon said.

"Also, be aware if the business is planning to use its overdraft or loan to purchase this equipment, calculate the cost of the borrowed funds into the price of purchase and discuss this intended purchase with their accountant."

The instant asset write-off scheme, introduced in 2015, allows small business owners to claim immediate deductions for capital expenses up to \$20,000.

It was a large jump from the previous instant-asset write-off threshold of \$1000.

