



esdalesinclair & ASSOCIATES

...your local finance specialists

Welcome to our autumn newsletter, during the last quarter we were pleased to be able to support the following with sponsorship/donations of \$500 each:-

- Salvation Army Red Shield Appeal
- Crime Stoppers
- CQ Capras Rugby League Capras Football Club
- Dingo Tennis Club – Bradford Family Fundraiser

Don't forget we have expanded our Agribusiness Team with the addition of consultant Alastair Hughes, in addition to the Finance/Refinance of Rural Loans we now have several options for Livestock Finance, can assist with buying/selling of cattle and Properties and with Agistment as well as marketing and production advice. Our Agri Team have over 60 years combined experience in all aspects of the Rural Industry.

One of the greatest complements our business can receive is a referral from our existing clients and suppliers, if you have a friend or business associate you think would benefit from our services we would love the opportunity to assist or just conduct a free no obligation "health check" of their finances.

In this issue:-

[ATO and Tax Debts](#)

[PPSR – How to lose \\$23 Million](#)

[A Better way to finance your imports](#)

[Finance up to \\$150,000 – No need for financials](#)

[Notable Quotes](#)

Enjoy the read!



The tax office is owed billions by business and will have increased powers to report it!

Under proposed legislation to be introduced from 1 July 2017 the Australian Tax Office (ATO) will be able to disclose tax arrangements and arrears to a Credit Reporting Agency.

What is changing?

The ATO will have the discretion to disclose tax debt information to credit reporting agencies for taxpayers with an Australian Business Number (ABN).

The ATO has advised that debts will be reported where:

- The debt is for a taxpayer that has an ABN;
- The debt amount is over \$10,000 and unpaid for over 90 days;
- The debt is not in dispute;
- No payment plan has been established or an existing payment plan has defaulted.

The ATO will notify a business that it intends to refer the tax debt to a credit reporting agency.

What does this mean?

Those businesses that default on their tax arrangements or do

not enter into arrangements with the tax office will be reported to a credit reporting agency.

If a business requires finance a Financier will generally perform a Credit Check against the business and its directors. In Australia the main credit agency is Veda. If the business has tax debt and the ATO has reported it to the credit reporting agency the chances of that business obtaining finance are basically zero.

What can you do?

The obvious one is to keep your tax up to date however if you do enter into a payment plan with the ATO make sure it is realistic and you keep up to date with the arrangement.

What are we seeing?

A number of Financiers we transact with are asking for a Tax Portal as part of the approval conditions of finance. If the tax portal is not current they will not lend to the business seeking finance.

We're here to help!

Make sure you let us know when talking about your finance requirements of any tax arrangements you may have in place or any outstanding tax debt.



**Property Securities Register – IF YOU HIRE
OR LEND EQUIPMENT another court case
proves that it doesn't matter how big your
business is you can still get caught!**

If you own or are financing equipment and you hire or lend this to a third party (**even a friend**) you could lose ownership if that third party becomes insolvent.

Unfortunately correctly registering your interest on the [Property Securities Register](#) is no longer an option, it is **essential**.

In a recent court case, there is a clear winner – The Voluntary Administrators of OneSteel Manufacturing Pty Ltd (OneSteel).

And the loser? Alleasing Pty Ltd (Alleasing), a lender who lost plant and spare parts with a cost value of more than \$23 million.

Whilst a Financier in this case lost their equipment the facts are frighteningly simple in that any business could lose assets under the same circumstances.

The background of the case is as follows:

- In 2014, Alleasing leases to OneSteel assets with a value of \$23 million.
- Alleasing performs a Personal Property Securities Register (“PPSR”) registration against OneSteel using its Australian Business Number (“ABN”) as the identifier. This Registration is done to show that Alleasing has an interest in the goods they own on the PPSR.
- On 7th April 2016, OneSteel appoints Voluntary Administrators.
- On 10th June 2016, the Administrators advise Alleasing that they will be keeping their equipment as their registration is invalid. They should have used the Australian Company Number (“ACN”) and not the (“ABN”).

- On 31 January 2017, the NSW Supreme Court confirms that OneSteel has lost its assets to the Administrators.

As the company OneSteel Manufacturing Pty Ltd was the entity that hired the assets, then the registration should have been performed against its ACN and not its ABN. That's all that was incorrect to lose \$23 million!

Since the commencement of the PPSR, we have advised that when registering a company, you should use its ACN and not its ABN. The heart of the issue is that anyone searching the PPS Register using the correct identifier (its ACN) would not have been aware of Alleasing's registration. As a result, the Court ruled that Alleasing's registration was defective and seriously misleading.

The harsh lesson learnt – a business must register a customer by an ACN if it has one. A company has an ACN.

How do you seek advice?

Have a chat and if required we can introduce you to EDX who are specialists in all matters relating to the Personal Property Securities Register. Further details are available from their [website](#) .



A better way to finance your imports.

We take the hassle out of importing equipment with our Importing Equipment Finance options!

We can arrange finance for the importing of equipment through our access to various Importing Equipment Finance pathways.

We can assist with structuring the supplier payments with access to Trade Finance Products right through to the conversion to the Equipment Finance Product.

The good news is that in most cases the equipment being financed is the only security required for the transaction.

If you are considering importing equipment the key things from our experience that need to be considered are:

- What are the payment terms required by the Supplier?
- Are you taking any payment risk?
- Is a deposit required?
- Is a Letter of Credit required?
- Is the purchase in foreign currency?
- How do you mitigate the exchange risk?
- How do you structure the transaction?

What are other items to consider?

- The financial strength of the supplier – what happens if a deposit is paid and the equipment is not shipped or delivered?
- Does the equipment need to be installed and commissioned at your premises? If payment had been made when it was shipped can the supplier ensure the equipment is commissioned and working to your satisfaction?
- Can the supplier provide the equipment in a timely manner and have it operating when required at your premises?
- What GST is payable when the equipment arrives in [Australia](#)?

- **How we help!**

Early engagement is important. We can assist you with structuring the transaction to provide additional protection against the pitfalls of importing including arranging the financing of the import (including a Letter of Credit, Forward Exchange Contract and Trade Finance) and the conversion to the Equipment Finance product.



INCREASED FINANCED OPTION - Finance up to \$150,000 made easy with access to No Financials Products

If you or someone you know is looking at buying motor vehicles or other equipment (listed below) we now have access to a suite of funders that provide finance up to \$150,000 without the need for financial statements.

Generally to qualify the business must have:

- 2 years ABN (registered for GST)
- Clear Credit History
- The business owner must be a Property Owner (even if mortgaged)

Available for Equipment generally up to 3 years old supplied by a recognised dealer or supplier for:

- Passenger & Commercial Vehicles
- Excavators, Backhoes and Skid Steers
- Forklifts and Material Handling Equipment
- Access Equipment
- Tractors, Headers and Harvester's

The above no financial options are in addition to the other products and options we offer. If you do know of someone that has a requirement for financing it is simple as contacting us. If you require to discuss any purchases that you have to finance please give us a call.

**The above criteria is a general overview of the requirements and additional information including financials may be required. All applications are subject to credit approval and this is not an offer of finance. The supplier, age and type of equipment also requires approval.*



[A bit of fun - Famous Quotes](#)

In our last quarterly newsletter we had a fun look at some famous political quotes. This quarter we take a look at some famous quotes.

“A day without sunshine is like, you know, night” Steve Martin

“Happiness is like having a large, loving, caring, close-knit family in another city” George Burns

“Behind every great man is a woman rolling her eyes” Jim Carrey

“I always wanted to be somebody, but now realise I should have been more specific” Lily Tomlin

“There cannot be a crisis next week. My schedule is already full” Henry A Kissinger

“A successful man is one that makes more than his wife can spend. A successful woman is one who can find such a man” Lana Turner

Copyright © 2017 Esdale Sinclair and Associates. All rights reserved. The information contained in this newsletter is of a general nature and does not take into consideration your personal circumstances. We recommend that you obtain your own independent advice before acting on any information. Finance Applications are subject to credit approval.

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