

July 2008

# Business News



Legal Issues update for Canberra Businesses

## EXTRA DIMENSIONS TO BUSINESS SALES

There are some occasions when a sale of a business can be dealt with by way of a simple contract between the seller and purchaser. However, it is almost inevitable that such a transaction will involve some degree of complexity.

Importantly, when buying or selling a business, you need to pay careful attention to what specifically is being transferred. This has tax implications for Capital Gains Tax, Goods and Services Tax and, on some occasions, Stamp Duty.

Often, you will also need to involve third parties in your dealings – sometimes to seek their consent. Depending on the type of business, you may need to deal with:

- A landlord;
- A mortgagee;
- Equipment lessors; and
- Regulatory authorities (such as Liquor Licensing, Business Name transfer, IP Australia, etc).

Snedden Hall & Gallop acts for many people who buy and sell businesses and can assist you in determining what assets are being sold, which third parties you need to approach and by managing the relationship with them.

For example, we act for a number of pharmacists in the ACT and NSW who have been involved in various transactions in recent months. Depending on the location of the pharmacy (NSW or ACT) there are some very different regulations that apply.

We have a track record of dealing efficiently and effectively with complex sales and purchases of businesses. Contact our Business Services Team today to find out how we can help you.

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## BETTER BUSINESS: 6 THINGS YOU SHOULD KNOW

Businesses are feeling the impact of the state of our current economy. As a law firm that has serviced businesses in our local community since the 1960's, we are here to offer advice in difficult times. These six business principles are a foundation of better businesses:

### 1. Growth

It may not be your primary goal, but if a business fails to keep up with inflation, then it is dying.

### 2. Cash is King

The common thread amongst failed businesses is that they run out of money. Having enough cash and improving ways of collecting revenue must be an imperative of every business.

### 3. The Butterfly Effect

Local business is affected by movements in the global economy. Understand and monitor our global economy to help your business.

### 4. Customer Focus

Ask yourself: why does a customer choose one business over another? The answer to this question helps plan for the future. The better you can answer this question the better your knowledge of and greater ability to project future earnings. This will put your business in good stead regardless of the economic environment.

### 5. Sound Planning and Strategic Thinking

These are two foundations of successful business. A business without a plan now, won't be around next year.

### 6. Seek Advice

Knowledge is power and a successful business will always seek good advice whether it is from their solicitors, insurance brokers, accountants or bank.

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## DOING BUSINESS IN CHINA?

In August 2006, Shenzhen Developments Pty Ltd entered in to a joint venture with the ACT Government to operate the Canberra Commerce Office in Shenzhen, China. The purpose of the office is to strengthen economic and cultural exchange, and develop friendship and co-operation between Australia and China.

Shenzhen Developments Pty Ltd is a company established under the auspices of Snedden Hall & Gallop.

Located in southern China, Shenzhen is the key city (with over 24 million people) in one of China's major Economic Development Zones and a hub for ICT development and manufacturing.

Shenzhen Developments has already hosted two delegations into Australia and looks forward to further assisting businesses in transaction between Australia and China.

Canberra Commerce Office can assist your business in the following ways:

- Provision of office facilities (including office space and technology) for business opportunities in Southern China
- Australian business introductions to the Chinese market, including tailored board meetings and personal introductions to relevant business and government officials
- Facilitation of buyer/seller interaction
- Facilitation of Stakeholder interaction

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## MOVING FORWARD WITH FAIR WORK AUSTRALIA

**During the 2007 Federal Elections, the Labor Party announced wide ranging reforms to the Workplace Relations Act, including the abolition of WorkChoices.**

The first legislative amendments were passed by the Federal Government on 20 March 2008, which create the framework for the phasing out of WorkChoices.

On 16 June 2008, the Government released the final form of its new National Employment Standards and on 20 June, the Australian Industrial Relations Commission identified the priority industries and timetable for the first round of award modernisation which will proceed in the transitional period to 1 January 2010.

The new National Employment Standards come into force on 1 January 2010 and cover ten (10) conditions. The new conditions not previously considered in Australian employment law, include:

- Requests for flexible working arrangements:  
An employee who is a parent responsible for the care of a child under school age, may request the employer for a change in working arrangements for the purpose of

assisting the employee care for the child. These changes might include modifying hours of work, changing patterns of work and changes in location of work. The legislation will provide that an employer may refuse the request only on reasonable business grounds. This will have to be carefully considered in any business planning.

- Community service leave - an employee can apply for absence from employment for jury service, carrying out voluntary emergency management activities or other similar community service, yet to be prescribed. Only jury service requires a mechanism for payment by the employer.

An interesting development which we are yet to see details about, concerns the Model Flexibility Cause, which we included in the modified modern awards. This will enable employers and employees to enter in to agreements about how parts of the award are to be modified and applied, provided the employee is not disadvantaged.

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