

# HORIZONS



## SKF has a significant bearing on Australian industries

There's a good chance the name SKF would be recognised by a large number of Australians but probably most would associate the company with the manufacture and supply of bearings. As a world leader in bearings, SKF is also the automotive industry's leading bearing solutions supplier and has worked with Ferrari since 1947, currently equipping the Scuderia Ferrari F1 race cars with more than 150 exclusively designed and manufactured bearings and seals. The Swedish car manufacturer Volvo was originally owned by SKF and was a trade name of a bearing type developed for wheel applications. But according to SKF's strategic planning and marketing manager Peter Williamson that is only part of the story. "As well as its automotive role, SKF supplies a wide range of products and services including lubricants and lubrication systems, power transmissions, sealing solutions, liner motion products and reliability systems to the power generation and wind energy, food and beverage, oil and gas, mining, pulp and paper, steel industries and many other industries."

Established in 1907 in Gothenburg - Sweden's second largest city - SKF moved into Australia the following year and currently has an extensive distribution network across the the world, including more than 100 distribution outlets throughout Australia and New Zealand. SKF's industry-relevant knowledge and expertise has been built by working with a variety of customers and industries in different countries throughout the world. This knowledge is shared globally and locally, and is used to support its customers in maximising their business performance and profitability. "Most people would be surprised to learn that the average household has more than 180 bearings in the fan-forced oven, frost-free freezer, DVD, personal computer, roller blades, evaporative cooler and dishwasher. All the appliances that surround us, large and small, contain bearings," Peter Turner said. As a client of Logie-Smith Lanyon, SKF relies on Rima Newman for advice and guidance on a diverse range of complex employment and industrial relations matters.



## Assisting newcomers reach their full potential

Spectrum Migrant Resource Centre (MRC) was established in 1984 to provide settlement services for migrants and refugees living in Melbourne's northern region. Today, Spectrum MRC offers a range of services statewide in the areas of immigration, education and training, cultural and multilingual aged home care, and personal assistance for carer families. Its innovative parenting and intergenerational youth programs support new migrant and refugee families who choose to settle in Victoria. "Spectrum MRC is a one-stop-shop catering for the needs of both newly arrived and established migrants and refugees to ensure they are able to reach their full potential," said Spectrum MRC chief executive officer, Rosemary Kelada. Newcomers are assisted both upon arrival in the country and over subsequent years to help them successfully settle and participate in all aspects of life in their new country. This assistance is provided by Spectrum MRC staff with cultural backgrounds that reflect the diversity of Victoria's migrant settlers. Settlement service packages have been developed to assist migrants with housing, legal advice, family and youth programs, no-interest loans and employment. Logie-Smith Lanyon senior associate, Lyndal Turner, who has been on Spectrum MRC's board of management since 2009 and is a member of the audit and risk and governance committees, was appointed treasurer this year. "I had assisted Spectrum MRC to redraft its constitution pro bono and was subsequently invited to join the board, an invitation I willingly accepted," Lyndal said. Logie-Smith Lanyon assists Spectrum MRC by making its office facilities available for board and committee meetings on a regular basis. "We are extremely grateful to Logie-Smith Lanyon which not only provides its boardroom for Spectrum meetings, but has also provided financial support," Rosemary Kelada said. A trivia night the firm organised to support Spectrum's Homework Club, which gives young students the support they need to thrive and improve learning outcomes, raised much-needed funds for the program.

## From malt store to luxury accommodation

The conversion of the imposing landmark silos located in Islington Street Collingwood to a luxurious residential complex is a marriage of Carringbush's heritage with impressive contemporary architecture. Built in 1878 by Thomas Hood for the purpose of making malt liquor, the building became a store for malt, supplying local brewing companies – including the iconic Victoria Brewery – by the early 1900s. "The overall integrity of the building is preserved by limiting the external embellishments and, through measured design, to encapsulate the simplicity of the silos to successfully integrate the new construction elements," said Blue Earth Group representative – project manager of Silos on Islington – Leo Pappas. Designed by MAP Architecture and Design, the city-fringe redevelopment comprises a total of 48 apartments: 19 in the silo cylinders, two penthouses and 27 located within the refurbished walls of the original maltsters' warehouse. The striking 138 square-metre glass penthouses perched on top of the silos provide stunning views of the city skyline. American oak, textured wallpapers and pristine white walls are complemented by elegant Japanese tiles in the kitchens and bathrooms which are stylishly appointed with Rogerseller fittings. The imported Italian kitchens are fitted with quality Miele appliances while the luxury interiors have been designed by interior specialists Eades & Bergman to reflect the industrial feel of the existing building. Ecologically Sustainable Principles (ESD) integrated into the development include metered solar-heated hot water to all apartments and rainwater harvesting for toilet flushing in the gymnasium and irrigation of gardens in the communal outdoor entertainment area. The fully secured building features basement car parking and storage units for each apartment as well as lift access to each floor. Commenting on the ongoing legal services Logie-Smith is providing for the company Leo Pappas said, "I'd have to rate Logie-Smith Lanyon 10 out of 10 for their professionalism, attention to detail and knowledge when it comes to handling contractual matters and conveyancing."





## Trust income streaming for tax purposes

Parliament recently passed legislation – effective from the 2010/11 income year – allowing trusts to stream capital gains and franked distributions to beneficiaries for tax purposes. The new rules are designed as an interim measure pending the complete rewrite of the taxation of trusts, announced by the Assistant Treasurer in December 2010. Streaming refers to appointing or distributing different classes of income of a trust to different beneficiaries. Previously, it was uncertain whether streaming was effective for tax purposes, or whether beneficiaries took a proportionate share of all the classes of taxable income of the trust for a particular income year in proportion to their share of the trust distributable income for that year. The effect of these changes for trustees may be summarised as:

- (a) where trustees do not have capital gains or franked distributions, the new rules will have no application.
- (b) if trustees have capital gains and/or franked distributions but don't want to stream those amounts, the new rules will apply but essentially the result will be the same as before the changes.
- (c) if trustees want to stream capital gains and/or franked distributions, the new rules will apply.

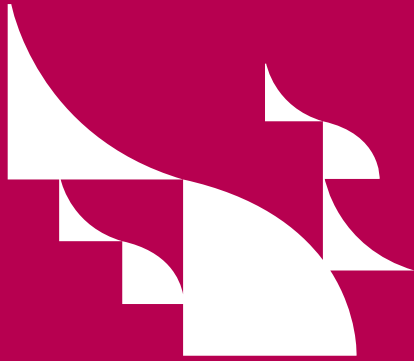
For a trustee to stream capital gains/franked distributions, a beneficiary must be “specifically entitled” to the relevant gain or distribution. A beneficiary may be specifically entitled to a capital gain even if the capital gain does not form part of the income of the trust, but the trustee will need a capital distribution power to do so. It is important to note the changes only allow trustees to stream actual capital gains and franked distributions; the amendments do not apply to notional capital gains, unfranked dividends, interest, foreign tax credits or any other types of income. For trustees wishing to stream capital gains and/or franked distributions, the terms of the trust deed will be critical. Trustees wanting to stream capital gains and franked distributions for a financial year should have their trust deed reviewed – and amended if necessary – before the end of that financial year to ensure streaming for tax purposes can be achieved.

For further information or to have your trust deeds reviewed, please contact our Taxation Team, George Kolliou (03 9628 4168) or Andrea Carrick (03 9628 4116).

## Express funding for businesses

Despite its name Melbourne-based boutique finance company, HomeSec, specialises in short-term funding for business and is not involved in the housing market. As director Paul Stone puts it, “HomeSec provides businesses with a form of bridging finance they usually don't have access to from traditional funding sources at short notice.” One of the largest national short-term business lenders, HomeSec Business Finance, which was established in 2004, advances secured loans of between \$10,000 and \$500,000 for terms of up to four months. Purposes for loans can include alleviating immediate cashflow problems, providing upfront capital for new ventures, purchasing urgently required plant and equipment, enabling a business to take advantage of one-off stock purchasing opportunities and paying creditors. “While we will lend for virtually any legitimate purpose we have strict guidelines and will only approve a loan if it puts a client's business in a better position or does not exacerbate their current situation.” The company lends on a loan-to-valuation-ratio of 75 per cent and employs a streamlined due diligence process. “Our streamlined system enables us expedite settlements, usually in 24 to 48 hours, but being quick certainly doesn't mean we're not thorough.” Paul said. HomeSec is not a finance broker but funds its lending operations from company resources supplemented by money put up by a limited number of investors. In each case, investors' funds are applied directly to individual projects and are secured by property. Logie-Smith Lanyon, which has been acting for HomeSec for some time, reviewed and recommended changes to the company's original contract and now prepares all loan documentation as well as handling settlements and discharges. “We're delighted with the way Logie-Smith Lanyon's Andrea Mapp handles our day-today legal work but were especially pleased with the outcome when they represented us in a litigation matter in the Federal Court recently.” Paul went on to say, “Logie-Smith's ability to find minute detail that could easily be overlooked is remarkable and contributed significantly to us winning the case.”





## Logie-Smith Lanyon directory

### Business and corporate

- defence contract procurement
- ASIC, ASX and regulatory requirements
- mergers and acquisitions
- takeovers
- trusts
- international trade and investment
- banking, finance and investment
- capital raising
- business structures
- franchising

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### Litigation and dispute resolution

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- debt collection
- insolvency
- securities enforcement
- professional negligence claims
- contractual disputes
- insurance claims
- corporation law disputes
- property
- ASIC enforcement actions & s 19 hearings

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### Private client services

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- real estate conveyancing and leasing
- probate
- superannuation
- trusts and estates
- wills consumer law

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### Employment and industrial relations

- contracts of employment
- enterprise agreements
- sexual harassment
- anti-discrimination
- occupational health and safety
- industrial disputes
- employment/IR litigation
- service, consultancy and management agreements
- rights and obligations under the Federal employment, IR and OHS legislation
- adverse actions
- unfair dismissal claims
- policy/employment manuals, documents, handbooks and training
- redundancy/restructures
- workplace codes of conduct
- workplace strategy reviews
- employment benefits
- confidentiality and restraints of trade
- conciliation and arbitration

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### Property and construction

- development
- subdivisions
- leases
- tenders
- construction contracts
- project documentation
- contract administration
- claims
- dispute resolution
- planning
- environmental
- stamp duty planning
- finance
- structuring

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### Taxation

- income tax
- capital gains tax
- goods and services tax (GST)
- Division 7 A loan issues
- stamp duty
- land tax
- tax effective business structuring
- tax effective succession and estate planning
- tax dispute resolution
- tax litigation
- accountants/tax agents' registration and regulation
- superannuation

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