

Horizons

Logie-Smith Lanyon Newsletter

Issue 3, 2011

Introducing Rebecca Badenoch

The partners at Logie-Smith Lanyon are proud to announce that Rebecca Badenoch has joined us as a partner to head up our newly-established Family Law team. We have decided to add Family Law to our service offerings to our clients as it is our belief that Family Law is the next logical step in expanding our Private Client services, as well as a natural fit with the firm's focus on value-adding to our clients' businesses. An Accredited Family Law Specialist and mediator, Rebecca is a talented, pragmatic and highly respected lawyer who not only reflects the values of the firm, but also those required to practise successfully in such a sensitive and difficult jurisdiction. Rebecca can be contacted on 9628 4137 or rbadenoch@logielaw.com.



One floor down but a world apart



On face value relocating to a floor below in the same building, as Logie-Smith Lanyon will do at the end of this year, may seem a straightforward exercise but not so says Frank Bambino, director of Melbourne-based architectural practice V Arc.

"After extensive consultation with Logie-Smith Lanyon that lasted several months, a design was developed that would be appealing and inviting to clients, and provide staff with vastly improved working surroundings." V Arc – a client of Logie-Smith Lanyon – was awarded the contract after participating in a competitive pitch with other architects. A key factor in V Arc's appointment was the practice's impressive track record with interior design for a number of major clients such as Telstra, Westpac and L'Oreal. "Our extensive experience in interiors has enabled us to develop a clear understanding of how different groups within organisations come together and relate to one another in the workplace." A blend of open-plan and offices is complemented

by meeting spaces featuring discrete colour palates to create subtle differentiation between Logie-Smith Lanyon's various operational zones. Timber is used extensively in reception which features an exposed ceiling and picks up on elements of the firm's corporate colours. All staff, regardless of where they are located within the office, have line-of-sight vision to the outside world to alleviate feelings of being boxed in. The break-out space provides a contrasting environment for visual relief from the rest of the office. Featuring a large stone bench and casual seating, the area doubles as a venue for recreational activities, child-minding and training sessions as well as a forum for informal staff and client meetings. Timber-lined portals between sections of the office create an impression of depth and dimension while bursts of colour complemented by striking contemporary light fittings add distinctive character. "The design brief was to create a pleasant, welcoming environment free of ostentation that makes a statement to clients and reinforces Logie-Smith Lanyon's professionalism," said Frank Bambino.

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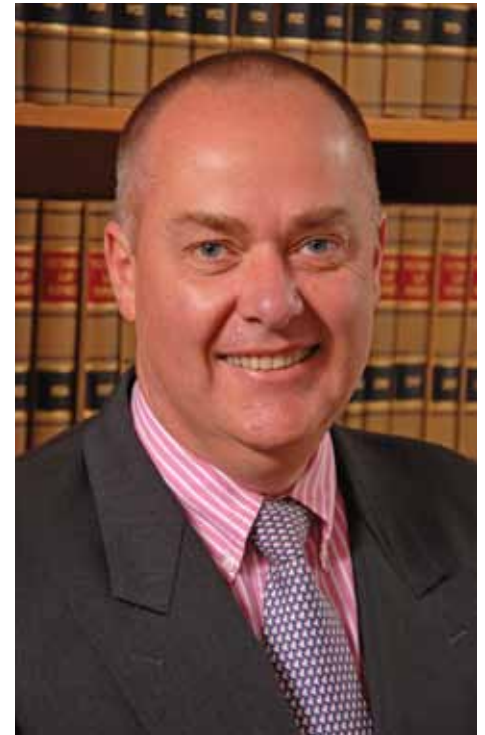
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Company director's qualification for Andrew Logie-Smith

Earlier this year, Logie-Smith Lanyon managing partner Andrew Logie-Smith, who is a member of the Real Estate Institute of Victoria (REIV) board, successfully completed the Australian Institute of Company Directors' diploma course for company directors.

According to Andrew, he enrolled in the course to obtain a deeper insight into the issues facing directors along with the practical matters board members need to be fully versed in to discharge their duties effectively and in line with relevant legal requirements. "With ever-increasing stakeholder focus on company activities, the role of a company director is coming under greater scrutiny so it's vital that anyone who serves on a board be fully acquainted with their responsibilities and obligations at law," Andrew said. The qualification has provided Andrew with practical insight into the role of directors and

the processes and systems that need to be created and developed within companies to enable the relevant governance issues to be fully complied with. Andrew believes a strong argument exists for companies with an annual turnover of \$12 million or more to appoint independent directors with legal or financial qualifications. Logie-Smith Lanyon has assisted the REIV with legal advice relating to its activities and, in July this year, Andrew was invited to join the Institute's board. "I was delighted to accept the invitation for the skills I can bring to the table as a corporate lawyer and because it demonstrates our ongoing commitment to the Victorian real estate industry." While first and foremost a city law firm, Logie-Smith Lanyon has focused on developing an extensive range of business advisory services. "We're more than willing to consider external board appointments or, alternatively, provide business entities with advice on the structure, accountabilities and appointment of boards as well as strategic and corporate governance issues," Andrew added.



Vision Australia helps in many ways

Carols by Candlelight, which is held at the Sidney Myer Music Bowl and televised nationally by Channel 9 on Christmas Eve, is the major event on Vision Australia's annual fund-raising calendar.

This universally-loved Melbourne icon raises money to help Vision Australia provide a range of valuable services for those who are blind or have low vision. Blindness or vision impairment can occur at any stage of a person's life and Vision Australia's services offer assistance and support to more than 50,000 clients nationally. The type of assistance provided is extensive

and varied, and can be for a young child and their family, a teenager seeking to pursue their education, an adult needing support to find or continue to work, or an older person wishing to maintain their independence. "We have 15 core services which enable life change by enhancing access to information, making the most of technology and creating community inclusion through mobility and independence," explains General Manager of Corporate Services, David Speyer. One of Vision Australia's priorities is to assist the more than 60 per cent of blind and vision impaired people who cannot find employment to enter the workforce. "With the appropriate training together with aids and equipment, there are very few jobs our clients can't do, in fact they

perform as well as any sighted person would." Vision Australia's other services include providing and training Seeing Eye Dogs, library information services which distribute up to 250 newspaper titles daily, orientation and mobility courses, independent living services and dedicated AM and FM radio stations. A relatively new client of Logie-Smith Lanyon, Vision Australia engaged the firm to provide specialist legal advice on a range of commercial matters including the highly complex merger involving Seeing Eye Dogs Australia and Vision Australia. "Logie-Smith Lanyon's Simon Heath and David Grant have done a great job for us and we're looking forward to having a long, mutually rewarding association with the firm," David Speyer said.



Directors need to be vigilant

In the Federal Court decision of Australian Securities and Investments Commission v Healey [2011] FCA 717.

The Australian Securities and Investments Commission alleged that current and former non-executive directors, the former CEO, and the former CFO of various entities within the Centro Properties Group and Centro Retail Group (collectively Centro) had failed to take all reasonable steps to secure compliance by Centro with the following sections of the Corporations Act 2001 (Cth) (Act):

1. 295A (directors' declaration);
2. 296 (compliance with accounting standards);
3. 297 (true and fair view); and
4. 298 (annual directors' report).

As a result of that failure the directors had breached section 180(1) and section 344(1) of the Act. These sections require a director to take all reasonable steps to comply with, or to secure compliance with the financial record keeping and reporting obligations.

As part of their defence the directors stated that they relied upon the advice and judgment of their advisors when signing off on the financial statements. The court examined the extent to which directors are entitled to rely on judgment and advice of management



and experts. Justice Middleton found that the directors had failed to take all reasonable steps to ensure compliance with the financial reporting obligations in the Act. In his decision Justice Middleton summarised the role of the director as, "A director is an essential component of corporate governance. Each director is placed at the apex of the structure of direction and management of a company. The higher the office that is held by a person, the greater the responsibility that falls upon him or her. The role of a director is significant as their actions may have a profound effect on the community, and not just shareholders, employees and creditors".

In light of the decision, directors should be familiarising themselves with how accounting issues can impact on their companies and ensure that they have a sufficient accounting knowledge so that that they are aware of all financial matters.

Directors and board members of companies do not need to be accountancy experts and are still able to rely upon qualified advice. However, directors have an obligation and a duty to ensure they have read and understood the financial statements and, if necessary, make further enquiries if matters revealed in these financial statements call for such enquiries before adopting and signing.

New law has far-reaching effect

The Personal Property Securities Act 2009 (Cth) (PPSA) establishes a single national law governing security interests and similar transactions with respect to all tangible and intangible assets except land and some statutory licences. It is scheduled to take effect early in 2012.

Interests that were not previously treated as security interests will become subject to the PPSA. This includes retention of title arrangements, leases, assignments of receivables and arrangements where equipment is provided as part of a service. If you take security interests as a part of your business or you are a supplier of goods or services, new procedures will need to be put in place. New systems will need to be developed to record existing and manage future security interests, including systems to deal with enquiries and other requirements of the legislation. Staff will need training and guidance on the new registration procedures. It also may be necessary to redraft supply

terms and review your current financing arrangements.

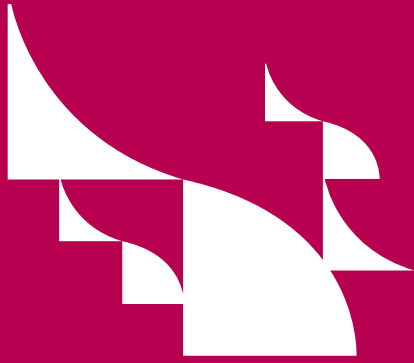
One of the most difficult and time-consuming issues for businesses with the introduction of the PPSA will be to work out whether or not it applies to your business. This will include reviewing all transactions conducted by the business.

If you answer yes to any of the questions below, please ask to speak to a member of the Logie-Smith Lanyon PPSA team about ensuring you are PPSA ready.

- Sell goods on credit
- Provide credit facilities in any form, including to related parties
- Make loans or advances or funds to anyone, including related parties
- Have goods or assets located at other peoples premises
- Rent, lease or hire goods or assets to others, including related parties
- Supply goods on retention of title terms
- Grant licenses to other parties to use any of your products, trademarks or intellectual property
- Plan to enter into and pay a deposit for a conditional sale or purchase contract
- Intend to take security over certain assets

- Have guarantees with charging clauses in your favour
- Have assets or funds held on trust by other parties





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

- trade practices
- 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

- business succession planning
- 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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Family Law

- Property Settlements, including superannuation splitting
- Binding Financial Agreements – married or de facto
- Spousal Maintenance – married or de facto
- Children's and Parenting Issues
- Extended Family members in Children's cases – including grandparents
- International and passport matters
- Child Support Agreements and adult child maintenance
- Court proceedings – Family Court and Federal Magistrates Court
- Mediation
- Divorce
- Intervention Orders

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