

Jirsch Sutherland hits the road

The start of the pandemic in March last year scuttled many plans – not least being Jirsch Sutherland's regional and rural road trips to visit local accountants, lawyers and business owners. But with borders reopening and restrictions easing around the country, our teams are hitting the road again.

Partner Jimmy Trpcevski, who heads WA Insolvency Solutions (WAIS), the firm's WA division, says it's "timely" to be restarting the program.

"Like many organisations, last year we quickly pivoted from face-to-face meetings and seminars to holding video meetings and webinars. However, it's great to be able to again meet with local advisers, business owners and directors – particularly with the insolvency reforms now in place and with JobKeeper ending. It's been a year of change, and we're here to help navigate the maze," Trpcevski says.

"Our teams are looking forward to visiting regional and rural communities and seeing first-hand how the local businesses are faring. Another more pressing reason for our visits is to help those facing a challenging time ahead or at a crossroads and unsure of which direction to take."

While COVID-19 has already taken a toll on many businesses, with JobKeeper winding up, mortgage holidays ending and the ATO recommencing debt collecting, many businesses may face financial pressure. "The next steps a business takes are crucial to its future. Delaying action or not taking the right course can worsen a period of financial distress or result in the business becoming insolvent," Trpcevski says.

From West to East

This month Trpcevski has visited the regional WA towns of Bunbury and Geraldton, while WA Principal Greg Prout travelled to Kalgoorlie. "A big thank you to everyone who made time to meet with myself and Greg," says Trpcevski. "It really reinforces that face-to-face meetings are a great way to discuss the best course of action for businesses large and small. We can gain a good understanding of their situation, troubleshoot some of their issues, and provide options for moving forward, whether it's to resolve financial issues, become more pandemic proof, or to leverage an opportunity."

In Kalgoorlie, Prout says he gained good insights into how the region is faring. "It's benefiting from the strong gold price, which means those in the mining and mining services industries are very busy," he says. "One of the biggest issues is around a lack of local workers to fill jobs, because of the continued reliance on FIFO workers. It's difficult to attract workers to live and work in Kalgoorlie."

"Retail and hospitality – as with other parts of the country – are struggling, while the financial counsellors I spoke with advised they are very quiet, given that individuals and businesses aren't being pursued for their debts – and therefore, are not needing to seek advice or

assistance.”

On the Eastern Seaboard, National Managing Partner Bradd Morelli and NSW Manager Hayden Asper are planning to visit Mudgee, a town in the NSW Central West, in May.

“On our previous visit last October, local tourism was booming largely due to the state lockdowns and overseas travel ban keeping the tourism dollars largely within NSW. The improved rainfall has also given the region bumper crops. We can help businesses in both sectors leverage these booms and recommend ways to be in a stronger position during leaner times,” says Asper.

Trpcevski recommends regional and rural business owners, directors and/or their accountants conduct a basic health check of their business before they attend a meeting or seminar by:

- Assessing cash flow and preparing a cash flow forecast to understand current cash burn
- Assessing payroll commitments
- Calculating all costs: operational, rent, equipment hire, product purchases (raw materials, ingredients), advertising and marketing costs
- Calculating outstanding creditor, bank and tax debts and their tax debt for the next quarter

“This will help give them and us a clearer picture of their situation. For those with significant creditor debts, we will discuss viable options for resolution, including the new Small Business Restructure and Simplified Liquidation procedures and, where relevant, the more traditional processes. It’s important that business owners know the pros and cons of all the insolvency processes and, if they decide to utilise them, know that our practitioners are qualified to action them and ensure they benefit fully,” adds Trpcevski.

If you’d like to arrange a visit from Jirsch Sutherland Partners and practitioners – whether a meeting with yourself and/or clients – or to arrange a seminar, please don’t hesitate to contact us by emailing enquiries@jirschsutherland.com.au. We can arrange webinars on a range of topics including Safe Harbour, Voluntary Administration, the recent Insolvency Law Reforms, and warning signs for businesses. We are also happy to hold webinars and obligation-free consultations via online platforms.