

2025 Review

Levi

Insights, Case Studies & Practical Guidance for Advisors

Restructuring. Insolvency. Advisory. What every accountant, lawyer, finance broker needs to know.

In this period, our blogs have focused on key challenges facing businesses today, delivering practical insights across a range of pressing issues from navigating the intensifying ATO debt recovery landscape and director penalty notices, to exploring Small Business Restructuring as a vital lifeline, and resolving complex property co-ownership disputes under Section 66G.

We have aimed to equip business owners, advisors, accounting and legal professionals with actionable knowledge.

Consultation at no cost

Company directors and advisers are welcome to call David Levi on **0418 602 466** for an initial consultation that will not incur a fee. Training for advisers in relation to these and other topics can also be arranged via videoconference. Levi Consulting services all Australian States and Territories.



I. Index to Curated Blogs

The following is a selection of our blogs for lawyers, credit managers, accountants and other professionals. All of the blogs are in the News & Insights tab on our website. All of our blogs are based on real life professional services we have conducted.

A Director's Nightmare: The DPN	The ATO has stepped up enforcement, with DPNs becoming a key tool to recover tax debts and hold company directors personally accountable.	4
Small Business Restructuring - A Lifeline	SBR has emerged as a practical lifeline for eligible small businesses, allowing directors to retain control, protect operations, and negotiate sustainable repayment plans with strong approval rates.	5
When Property Co-Ownership Goes Sour	When property co-owners can't agree on selling, Section 66G of the Conveyancing Act 1919 (NSW) provides a court-appointed solution. Section 66G can help resolve disputes, particularly in cases involving inherited properties, investment disagreements, and divorce settlements.	6
MVL: A Practical Guide for Owners, Accountants and Advisors	Members' Voluntary Liquidations (MVLs) provide a structured, tax-effective way for solvent companies to close and distribute assets to shareholders. MVLs help business owners finalise operations after asset sales, group restructures, or to wind up dormant entities efficiently and compliantly.	7
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2. A Director's Nightmare: The DPN

Imagine this: It's a typical Tuesday morning. You're sipping your coffee and you walk outside to check your mail, when suddenly your heart skips a beat. There it is – an official notice from the Australian Taxation Office. It's a Director Penalty Notice (DPN). In an instant, your company's tax problems have become your personal nightmare.

You're not alone. 8,000 to 10,000 former and current directors receive these each month. But what exactly is a DPN, and why should it send a chill down every director's spine?

When company debts become personal: the DPN explained

A DPN is the ATO's most powerful weapon in its tax recovery arsenal. It's the tax office's way of saying, "If your company won't pay, you will." A DPN can make a director or former director personally liable for PAYG, GST and SGC.

The two faces of DPNs: lockdown vs non-lockdown

Not all DPNs are created equal. There are two varieties, and the difference between them could mean everything:

- **The Lockdown DPN: The Point of No Return:** If your company has failed to both pay AND report its tax obligations on time, you'll receive what's known as a "lockdown" DPN. This is the financial equivalent of being backed into a corner with no escape route:
 - You're immediately personally liable
 - You can't appoint an administrator to escape
 - A specialist's tax advice is an option.
- **The Non-lockdown DPN: Your 15-Day Lifeline:** If you've at least lodged your returns (but haven't paid), you'll receive a "non-lockdown" DPN. This gives you a critical 21-day window to take action:
 - Pay the debt (obviously the preferred option for the ATO)
 - Appoint a Voluntary Administrator
 - Engage a Small Business Restructuring Practitioner
 - Put the company into liquidation

Miss this 21-day deadline, and you're personally on the hook for the entire amount.

What to do when a DPN lands in your inbox

The worst thing you can do is nothing. Here's your action plan:

1. **Don't Panic, But Don't Delay** Call us. This isn't the time for DIY solutions or hoping the problem will disappear.
2. **Understand Your Options** Different DPNs require different responses. What works for a non-lockdown DPN won't help with a lockdown notice.
3. **Consider Restructuring** The Small Business Restructuring (SBR) Process under Part 5.3B of the Corporations Act has shown a remarkable 92% success rate. It could be your lifeline.

The silver lining: a new approach to tax debt

It's not all doom and gloom. The ATO has developed more flexible approaches to debt recovery to be able to accept less than full payment, and extinguish the remainder of the debt. The SBR process is one example. It allows businesses to continue operating while addressing their tax obligations in a manageable way.

If you are about to accept a directorship, do your due diligence on ATO compliance, otherwise you will adopt legacy tax liability. If you are a credit manager, do your due diligence.

There are other blogs on our website that explain what we've covered here in a few hundred words:

- DPNs: Understanding Your Personal Liability in 2025 (31 May 2025)
- ATO Enforcement | DPN | SBR | VA (7 February 2025)

3. SBR - A Lifeline (for SMEs on ATO debt)

The Tax Man Cometh

Let's face it: the ATO is currently owed a staggering \$50 billion from small businesses. It's a Mount Everest of unpaid Superannuation Guarantee Charges (SGC) and BAS debt (PAYG and GST).

Enter the hero of our story: SBR was introduced at the end of COVID into legislation at Corporations Act 2001 Part 5.3B on 1 January 2021. SBR was and remains Government's lifeline to small businesses to be able to restructure. It's a great lifeline.

The SBR Eligibility Quiz

Can your business qualify for this financial makeover? Let's find out:

- Does your company have less than \$1 million in total liabilities? ✓
- Are all your tax lodgements up to date? ✓
- Have you paid all employee entitlements? ✓

If you answered "yes" to all of the above, congratulations! You're eligible for the SBR show.

The Four-Part SBR Mini-series

The SBR process unfolds like a perfectly paced four-part mini-series:

- 1. Episode 1: Pre-appointment** (The Assessment) Our protagonist (you) discovers whether the business is suitable for restructuring. Think of this as the audition episode.
- 2. Episode 2: Proposal Phase** (20 business days) You appoint a restructuring practitioner (us) and develop your plan. This is the part where the experts come in and start drawing up blueprints.
- 3. Episode 3: Acceptance Phase** (15 business days) Creditors vote on your plan. The dramatic voting episode where you need more than 50% of voting creditors (by value) to say "yes." Related party creditors don't get a vote, so you can't stack the deck.
- 4. Episode 4: Plan Phase** (Up to 3 years) Implementation time! Your approved plan goes into action. The satisfying conclusion where debts get paid according to the plan, and everyone hopefully lives happily ever after.

What the ATO Wants to See (Their Viewing Guide)

The ATO isn't just any viewer, they're the critical reviewer who can make or break your restructuring plan. They want:

- Three years of financial statements (your business biography)
- Details of current assets (what's in your wallet right now)
- Estimated liquidation dividend (what creditors would get if you liquidated)
- Explanation of any suspicious director loan activities (did you buy a yacht while not paying taxes?)
- Future financial projections (your business crystal ball)

The Happy Outcome: SBR Success Stories

Despite the drama, over 90% of restructuring plans presented to creditors get approved. Here are the successful reboots:

- The Construction Company: Succeeded with a 20.4 cents in the dollar plan, significantly better than the 2.58 cents liquidation alternative. Regular historical tax payments and addressing related party loans helped win ATO approval.
- The Labour Hire Company: Succeeded with a 23 cents in the dollar plan paid over 24 months. Their business model makeover and commitment to future compliance convinced the ATO to say "yes."
- The riverside café: Succeeded with 18 cents in the dollar plan over 18 months, compared to a 5 cents liquidation alternative. Owner's personal contribution and implementation of new financial systems demonstrated commitment to future compliance and secured ATO approval. Most cafes, restaurants are carrying old ATO debt.

There are other blogs on our website that explain what we've covered here in a few hundred words:

- SBR: A to Z for Beginners (4 May 2025)
- How SBR Could Save the ATO and Viable Small Businesses (8 March 2025)

4. When Property Co-Ownership Goes Sour

A to Z s 66G Conveyancing Act

We apologise up-front for the irreverent sense of humour but rest assured we can always be counted on for sage advice on s66G and co-ownership disputes. In the tangled world of shared property ownership, there exists a little-known legal superhero wearing cape number 66G. Not all heroes wear capes, but this one does wear a capital letter and a number.

Section 66G: The relationship counsellor for property co-ownership disputes

Imagine you and your brother inherit your grandmother's charming Victorian terrace (or commercial, industrial or rural property). You want to sell and travel the world with your share. He's determined to keep it as a shrine to childhood memories, complete with the plastic-covered furniture and the lingering smell of mothballs. Neither of you will budge. Family dinners become battlegrounds. You start "accidentally" forgetting to invite him to Christmas or Shabbas dinner.

Enter Section 66G of the *Conveyancing Act 1919* (NSW), that is, the stern but fair parent who steps in when property co-owners can't play nicely together.

How it works

When co-owners reach an impasse that makes Brexit negotiations look harmonious, s 66G allows the Supreme Court to appoint trustees to sell the property, dividing proceeds according to ownership shares. It's like having professional adults take over when the children can't agree on who gets the bigger slice of cake.

The dance of the Trustees

Once appointed, trustees become temporary owners of the property. They're the new sheriffs in town, with powers to:

- Kick out the stubborn brother-in-law who's been "just staying temporarily" for eight years;
- Find real estate agents;
- Sell the property at the optimal price; and
- Distribute proceeds according to ownership shares.

Our real-life tales

- **The Family Feud:** Three siblings inherited their parents' beach house. Two wanted to sell. One refused, having built an emotional attachment to the property (and a literal attachment in the form of an unauthorised granny flat). After two years of Christmas cards with increasingly passive-aggressive notes, we were appointed as trustees. The property sold for above market value, and the siblings now meet for holidays.
- **The Investment Gone Wrong:** Two friends bought a rental property together during the property boom. When the friendship soured faster than milk in summer, one refused to sell out of spite. We were appointed as trustees, sold the property, and both parties walked away with enough money to buy properties on opposite sides of town.

When to consider the nuclear option

Section 66G isn't for minor disagreements about what colour to paint the bathroom. It's for those intractable situations when:

- Your co-owner has developed a mysterious hearing problem whenever you mention "selling";
- Mediation results in more therapy bills than solutions;
- One party is deliberately sabotaging sale attempts; and
- You've calculated that the legal fees for fighting will exceed the value of the actual property (surprisingly common).

There are other blogs on our website that explain what we've covered here in a few hundred words:

- [What is s 66G and Why Does it Matter Now? \(24 May 2025\)](#)

6. Members' Voluntary Liquidation: A Practical Guide for Owners, Accountants and Advisors

What Is an MVL?

A Members' Voluntary Liquidation (MVL) is a formal, solvent winding up of a company. It's a structured, tax-effective process for closing a company that no longer needs to operate but still has enough assets to pay all its debts in full within 12 months.

When Is an MVL Used?

Company owners and their accountants commonly use an MVL:

- To extract retained and capital profits in a tax-effective way.
- To wind up a company after selling business assets.
- To close dormant companies as part of a group restructure.
- To finalise a family company or trust that is no longer needed.
- To distribute assets (cash, property, shares) back to shareholders.

Key Features of an MVL

- **Solvency:** The company must be able to pay all its debts in full.
- **Declaration of Solvency:** Directors must declare the company is solvent and can pay all creditors within 12 months.
- **Liquidator Appointed by Members:** Shareholders pass a special resolution to wind up the company and appoint a registered liquidator.
- **Tax Efficiency:** Final distributions can be more tax-effective than paying ordinary dividends, especially for capital reserves, revenue reserves and capital gains tax purposes.

MVL vs CVL: The Key Difference

A CVL (Creditors' Voluntary Liquidation) is for insolvent companies that cannot pay their debts in full. An MVL is only for solvent companies.

How an MVL Works: Step by Step

- **Pre-Appointment Planning:** We assess the company's structure, current financial position, and tax status. We forecast the expected position during liquidation and immediately before final distribution. We review PPSR registrations, conduct historical ASIC searches, and confirm any outstanding ATO matters with the tax agent. We also check for any intellectual property or other commercial issues that should be considered before appointment. We draft all necessary minutes and resolutions.
- **Directors' Resolution & Declaration of Solvency:** The directors approve the winding up by board resolution and sign a Declaration of Solvency confirming that all debts will be paid within 12 months.
- **Shareholders' Meeting:** Shareholders pass a special resolution to wind up the company and appoint David Levi as liquidator.
- **Liquidator's Role & Responsibilities:** The liquidator takes control of the company's affairs, complies with statutory requirements, obtains tax clearances, and distributes surplus assets to shareholders in consultation with the company's tax agent.
- **Finalisation & Deregistration:** When all matters are finalised, the liquidator lodges final accounts with ASIC, and ASIC proceeds with deregistration.

How Levi Consulting Can Help You

At Levi Consulting, we handle MVLs of all shapes and sizes — from family companies and professional services firms to holding companies. We have completed over 300 MVLs. We:

- Conduct a thorough pre-appointment review.
- Confirm eligibility for an MVL.
- Prepare clear steps and timelines.
- Liaise with your accountant.
- Manage the liquidation process efficiently as Liquidator.
- Aim to maximise after-tax outcomes for shareholders.

FAQs: Your MVL Questions Answered

Q: Can we just deregister instead of doing an MVL?

A simple deregistration is only suitable if there are absolutely no assets or liabilities. If the company has retained or capital profits, an MVL is usually safer and more tax effective.

Q: What if we sign a Declaration of Solvency and later discover debts?

Our pre-appointment review is designed to identify and resolve these risks before the liquidator is appointed.

Q: Is an MVL expensive?

Costs vary with complexity but are usually modest compared to the tax savings and finality it provides. Typically, we offer a fixed fee for pre-appointment planning and a separate fixed fee for the liquidation itself.

Q: Can we wind up multiple companies at once?

Yes. Many group restructures involve multiple MVLs to simplify group structures and reduce ongoing compliance costs.

Directors' Checklist

Before starting an MVL, ensure:

- The company is genuinely solvent.
- All tax returns and BAS are up to date.
- There are no hidden or disputed liabilities.
- All directors agree to sign the Declaration of Solvency.

Real-World MVL Examples

Example 1 — Professional Practice Company

Two partners sell their consulting business. The company has retained profits and franking credits. An MVL allows profits to be returned to shareholders in a tax-effective way.

Example 2 — Family Investment Company

A family company holds cash after selling a commercial property. An MVL is used to finalise tax obligations and distribute funds to family members tax-effectively — especially for pre-CGT capital reserves.

Example 3 — Group Simplification

A large group with dormant subsidiaries uses multiple MVLs to wind up unnecessary companies and reduce compliance costs.

There are other blogs on our website that explain what we've covered here in a few hundred words:

- [Unlocking Tax Benefits via a Members' Voluntary Liquidation \(7 June 2025\)](#)
- [Why MVL? | The Power of Corporate Simplification \(22 February 2025\)](#)

7. The Business Intensive Care Unit: Voluntary Administration into DOCA

Picture this. A once-thriving chain of hospitality venues, buzzing with regulars, frothy cappuccinos, and the smell of banana bread, now sits eerily quiet. The register's gone cold. Bills are stacked higher than the muffins. The business owner, worn thin from sleepless nights, finally makes the call that could change everything.

It's decision time. Two pathways emerge:

1. **Emergency surgery:** Voluntary Administration (VA)
2. **Outpatient rehab:** Small Business Restructuring (SBR)

Voluntary Administration: The Financial ICU

When Levi Consulting steps in as Administrator, we take the wheel. The business owner gets a much-needed break. For many, this temporary handover is a relief. It removes emotion from decision-making and creates space for commercial logic to prevail.

The process is fast, deliberate, and highly structured:

- **Day 1:** Lodgement of statutory documents
- **By Day 8:** First creditors' meeting where creditors may form a committee or vote to replace the Administrator
- **By Day 25:** Second creditors' meeting where creditors vote on the way forward:
 - Approve a Deed of Company Arrangement (DOCA)
 - Opt for liquidation
 - Hand back control to the directors

The Shield: During this time, legal *ipso facto* protections kick in. Creditors can't enforce claims. Suppliers can't terminate contracts just because you've entered administration. This breathing space is often the lifeline businesses need.

Small Business Restructuring: The Outpatient Model

Not every business needs a stretcher and defibrillator. For eligible small companies (liabilities under \$1 million), SBR offers a lower-cost, quicker, and more flexible solution. The key difference? **You stay in control.**

SBR is a "debtor-in-possession" model. The directors continue to run the business day-to-day, while working with a registered Small Business Restructuring Practitioner (SBRP). It's more "co-driver with a map" than "takeover by a surgeon." See our article on SBRs for more information on the timeline and checklist for an SBR.

Where It Can All Lead

Under VA:

- A DOCA and a second chance
- A controlled liquidation before a return to director control

Under SBR:

- A successful restructure and new lease on life
- A rejected plan which could tip the business into VA or liquidation

There are other blogs on our website that explain what we've covered here in a few hundred words:

- Does Voluntary Administration Serve a Useful Purpose? (30 August 2025)
- Voluntary Administration including Flowchart (5 November 2024)
- Restructuring | Voluntary Administration versus Small Business Restructuring (8 October 2024)

8. Association of Independent Insolvency Practitioners' Conference - July 2025

I was pleased to once again attend the annual national conference of the Association of Independent Insolvency Practitioners (AIIP), this time as a guest rather than on the organising committee!

The technical content was outstanding, but just as valuable was the opportunity to spend quality time with colleagues, speakers, and sponsors. One of the hallmarks of AIIP conferences is the collegiality, cooperation, and genuine sharing of information among everyone attending. Some speakers and sponsors were joining us for their fourth or fifth year, while others came for the first time. This spirit of connection and collaboration carries through into day-to-day professional life, working through client matters.

Why AIIP Matters for the Profession

There are about 600 registered liquidators in Australia and I'm proud to be one of them. This year, more than 200 registered liquidators attended. I served on the organising committee for the previous four conferences. The ROI has always been clear: it's about developing and maintaining relationships with competitors, politicians, regulators (ASIC, ATO, ASBFEO, FEG, AFCA), and sponsors. These relationships make a huge difference to my ability to deliver for clients and they make the work more enjoyable. It's invaluable to be able to pick up the phone or organise a coffee or ask for help knowing we have already met a few times.

This Year's Program Highlights

The speakers this year were eminent and real, they are from the public sector, private sector, government, or regulators. The content, panel discussions, TED-style talks, workshops, and this year's conference dinner at the National Museum of Australia (ask me about the Mr Squiggle exhibition!) were all excellent. The sponsors return year after year, and it was great to see some new faces among them too. Congratulations to the 2025 organising committee.

Key themes this year included Small Business Restructuring (SBR), media and crisis communication, economic updates, AML, AI, well-being, industry challenges for insolvency practitioners, and sector-specific insights for construction and hospitality.

How Levi Consulting Helps Businesses

My skill and experience is to listen and develop solutions for businesses often in conjunction with existing advisors, especially businesses in, or at risk of, financial difficulty or succession that require restructure or end-of-life services. I am a registered liquidator. I can accept formal appointments where necessary for receivership, voluntary administration, deed of company arrangement, small business restructure, liquidation, and s66G disputes.

My greatest strength is my network, experience, reputation to achieve win-win outcomes.

9. Companies at the Tipping Point

We have recently used the creditors' voluntary liquidation (CVL) process as an effective way to close companies that had reached the end of their life and were unable to meet their liabilities. In some cases, the businesses were still trading when we were appointed.

Case Example

A long-established company faced declining revenue due to technological change and increased competition. All options were considered, including a sale, closure, or a combination of both. The directors entrusted the liquidator to manage the process and determine the best outcome for employees, creditors, and other stakeholders.

Why choose CVL?

CVL is a formal insolvency process often used when directors and shareholders decide that the company cannot, or soon will not be able to, pay its debts. It allows directors to transfer control to a liquidator, ensuring the process is handled independently and in compliance with the law. Importantly, it enables directors and shareholders to take the initiative rather than waiting for a forced liquidation.

Other options may also be appropriate depending on circumstances such as small business restructuring, voluntary administration, deeds of company arrangement, or recapitalisation. CVL can also be an effective response to director penalty notices issued by the Australian Taxation Office that requires appointment of a liquidator.

We regularly work with accountants and lawyers to guide clients through these decisions. In many cases, we have been appointed as liquidator with successful outcomes for all stakeholders.

10. Unfair Preference Claims

Relevance. Your customer or your client's customer has gone into liquidation. Two-years later you receive a demand from the liquidator seeking repayment of funds, alleging that you were paid a preference payment prior to the liquidation.

The Legislative Framework for Unfair Preference Claims

The power of liquidators to claw back payments is found primarily in sections 588FA to 588FF of the *Corporations Act 2001* (Cth). These provisions enable a liquidator to recover payments made by a company prior to liquidation that gave a creditor an unfair advantage over others.

An unfair preference typically occurs when a company facing insolvency pays one creditor, putting that creditor in a better position than other unsecured creditors. The purpose is to ensure fairness and equitable distribution among all creditors.

However, creditors have important statutory defences, including:

- **s588FG:** The creditor had **no reasonable grounds to suspect the company was insolvent** at the time of payment, both subjectively and objectively, and the payment was made in good faith. The test focuses on the creditor's knowledge at the time of payment. Repeated late payments or demand letters may raise suspicion.
- **s588FA(3):** Applies where there is a **continuing business relationship**, treating a series of transactions as a single arrangement, with preference assessed on net payments exceeding value supplied.
- **Secured creditor defence:** Payments towards secured debts are generally protected from clawback, particularly if the security interest is registered on the Personal Property Securities Register (PPSR).
- **Set-off defence:** The set-off defence is no longer valid, making the role of other defences and security more important than ever.

The Mistake Creditors Often Make When Receiving a Liquidator's Demand

When creditors receive a demand from a liquidator seeking repayment of alleged unfair preference payments, the common reaction is annoyance or frustration.

The critical error is an immediate response with a detailed narrative justifying the creditor's position. This often includes information unknown to the liquidator, inadvertently strengthening the liquidator's tactical advantage in pursuing the claim. For example, providing details about the business relationship, payment history, or knowledge of insolvency can assist the liquidator in refining their arguments or uncovering weaknesses.

Our Clear Advice

When you receive such a demand:

- Do not respond impulsively with detailed explanations or justifications.
- Instead, seek advice from a specialist insolvency lawyer immediately.

If you engage a firm experienced in insolvency matters like us, we can review the correspondence, pose strategic questions, and refer you to a specialist insolvency lawyer. Let's be clear, we are often on the other side of these transactions as a liquidator, so we know the space intimately.

Early expert advice helps you understand:

- whether the payment genuinely constitutes an unfair preference;
- what defences are realistically available to you; and
- how best to respond without exposing yourself to further risk.

There are other blogs on our website that explain what we've covered here in a few hundred words:

- Is it really a better outcome? Directors' Duties, Insolvent Trading & Safe Harbour

11. Triage

When a business is in financial distress, time matters. That's why our first step is always a triage call. A quick, obligation-free discussion to understand the situation and outline the most appropriate path forward.

Triage means we ask a few key questions to:

- Understand current financial position
- Identify risks (such as ATO debt, Director Penalty Notices, landlord or creditor pressure)
- Assess whether the business is viable
- Explore the full range of options – formal (like Small Business Restructure or Voluntary Administration) and informal

The call takes just 10–20 minutes. It's free of charge with a registered liquidator with deep experience helping businesses navigate difficult times.

At our end, it may lead to an assignment. At your end, you walk away with clarity, direction, and a solid understanding of your options, tailored to your unique business circumstances.

It's a smart first step. Often, it's all a business owner or adviser needs to make an informed decision.

Next step

If you're unsure which option applies to your business, or your client's, we're here to help.

Call David Levi 0418 602 466 or DM for a confidential triage call. After hours and weekends is ok.

12. My Favourite Calls

My favourite calls – real talk, real problems, real solutions

This week I had one of those calls that come in unexpectedly from someone I've never met, who found me through Google or through someone who knows me. I love these calls.

There's a brief courtship while you find common ground, encourage the caller to open up about their business, and then dive into the real issues they're facing. I encourage them to talk about the outcomes they want and the steps they think might get them there.

I've kept a record of every professional assignment since founding Levi Consulting. I could write a book, but I haven't yet. My former employer shaped me and taught me to frame my first meeting around three simple questions. I still use those questions today and I'm always happy to share them, free, with any younger professional who asks. I give my all in these calls.

Some of these calls turn into an assignment; many don't, and that's perfectly fine. I enjoy the challenge: listening, processing, and matching what I hear with my professional experience.

One of the calls this week came from someone in hospitality. (It could be any industry, but it was hospitality). Right now, it's brutally hard to make a dollar in that industry, especially if you've already lost a few dollars and you're fighting to get back to viability. My role is to listen, test the commercial strategies on the table, and if needed, bring in informal workout ideas, or, when it's necessary, draw on my experience with formal options like Small Business Restructuring (SBR) for hospitality businesses.

Some Thoughts on Running a Viable Hospitality Business

Running a hospitality business (or any small business in any industry sector) today is not for the faint-hearted: costs keep rising, margins are slim, and customer expectations are high. Knowing your daily cash flow position, your break-even point, and your real margins is non-negotiable. A sharp 3-way forecast is essential. So is being prepared to have the tough conversations early and not when the money's already run out.

When an informal fix won't cut it, a Small Business Restructuring (SBR) can be the right tool to clear the decks and reset. For example:

- A multi-site café group burdened by tax debt could use an SBR to negotiate with the ATO, keep trading, and wipe the debt clean.
- A restaurant carrying old supplier debt could restructure to protect jobs and hold onto its location.
- A catering business with legacy liabilities could do an SBR to pay creditors what it can realistically afford and move on.

Every small business owner deserves the chance to have an honest conversation about their options, without fear or sugar-coating. If you're in difficulty, don't wait until it's too late. A simple phone call can change the trajectory of your business. If you need help working out what comes next, just pick up the phone.

12. Every Credit Manager Should Care About PPSR

If you're a credit manager, the Personal Property Securities Register (PPSR) should be one of your best friends. Whether you're assessing a client, approving new credit, or reviewing your own company's position, a **PPSR search is one of the simplest and most powerful due diligence tools available.**

Why PPSR Searches Matter

We can't overstate their value. A PPSR search reveals who holds security interests over a company's assets which is information that can expose hidden risks, unrecorded liabilities, and competing claims. It's an essential step before taking on new customers, lending money, or even entering into a new supply arrangement.

Think of it as checking the company's financial "X-ray" before committing to a relationship.

Our Standard Approach

At Levi Consulting, on almost every new matter, we run a **three-way PPSR search** on the company name, ABN and ACN. We often combine this with ASIC and land registry searches to build a complete risk profile.

This simple process helps us quickly understand:

- The extent of secured creditors and supplier relationships
- Whether there are any unusual or undisclosed encumbrances
- The practical recoverability of assets in the event of financial distress

Why Advisors Should Do It Too

For accountants, lawyers, and finance professionals, conducting PPSR searches adds real value to your advisory role. You'll gain:

- Faster insight into your client's solvency position
- Better risk management in transactions and restructures
- Enhanced credibility when presenting options to directors or lenders

Let's Continue the Conversation

We're always keen to share practical insights like this. **Invite me to a sandwich lunch in your boardroom (or on Teams).** I'd be delighted to speak with your team, particularly younger staff, about PPSR searches, due diligence, and early warning indicators in distressed businesses.

Sometimes the most effective tools in business protection are also the simplest and the PPSR is a perfect example.

13. Support from Levi Consulting

As always, we remain available for discussion virtually or face-to-face. Reach out to David Levi at 0418 602 466 for a confidential conversation about your unique circumstances.

	Option	When is it suitable?
1	Informal Workout	Whenever informal solutions with creditors are feasible.
2	Members' Voluntary Liquidation, alternatively, corporate simplification	Solvent deregistration of a company that had trading activity.
3	Voluntary Deregistration	Solvent deregistration of a company with no or limited trading activity (e.g. a holding company or dormant company).
4	Voluntary Administration	Key mechanism for businesses in financial distress to explore restructuring or sale options while under the protection of a moratorium.
5	Safe Harbour	A support tool for enabling directors of a distressed company to continue to trade while working on an informal workout or planning for a formal solvency.
6	Deed of Company Arrangement (DOCA) following Voluntary Administration	A flexible, formal insolvency restructuring tool. It follows a Voluntary Administration. Widely suitable for restructuring debts.
7	Creditors' Scheme of Arrangement	Another flexible formal insolvency restructuring tool - more cumbersome to implement than a DOCA, but with the advantage of being able to bind secured creditors. Ideally suited to financial restructuring of large/complex debt stacks.
8	Small Business Restructuring Plan	For small and micro businesses (less than \$1,000,000 in total debts) - a quick and straightforward alternative to a DOCA.
9	Creditors' Voluntary Liquidation	Best suited to a terminal liquidation of a failed/insolvent company - where an attempt at restructuring through administration and DOCA would be unlikely to work.
10	Court Liquidation	Effective in instances of shareholder/management failure (e.g. in a failed or dysfunctional joint venture). Also commonly used by creditors to attempt to force an involuntary liquidation on a debtor company that has failed to pay its debts.
11	Receivership	A receiver is appointed by the court or alternatively by a secured creditor to take control of all or part of the assets and business of a company or partnership. Court-appointed receivers are common for partnership disputes.
12	Section 66G	When co-owners are in a dispute over jointly owned property the court can appoint trustees using s 66G of the <i>Conveyancing Act 1919</i> (NSW) to sell the property and distribute the proceeds.

Consultation at no cost

Company directors and advisers are welcome to call David Levi on **0418 602 466** for an initial consultation that will not incur a fee. Training for advisers in relation to these and other topics can also be arranged via videoconference. Levi Consulting services all Australian States and Territories.