

BUSINESS CLOSURE POLICY

Saferight is both a successful and financial business, proven by the fact it has over 30 years longevity in the manufacture of safety harnesses and similar products along with operating a sound training academy, providing services to some of the largest mining and construction companies in Australia.

If the business ever became no longer profitable, and was unlikely to be profitable in the future, Saferight may decide to close the business. If this happened, Saferight would take the steps below including legal and tax responsibilities and notify stakeholders that the decision was made to close Saferight Pty Ltd and its associated business. The steps below would be taken to complete the process.

1. Seeking assistance from business adviser

Saferight will consult a suitable business adviser for guidance and support expertise and to advise if the business can be put back on track.

Also, Saferight will determine if a business viability assessment tool available from 'The Australian Tax Office' website can be used to establish if the business is still financially viable.

2. Setting a date to close the business

Saferight will properly plan the business's closure with a set a date to officially close the business operations. This includes the training operations of the RTO.

The closing date will be advised at the earliest possible time to let suppliers, employees, customers, students and other parties take any necessary action to suit their own circumstances.

3. Taking care of employees

Saferight will notify all staff and officially finalise their employment before the business closes. Saferight will pay out any entitlements such as outstanding wages or accrued leave.

4. Notifying suppliers, customers and students

Saferight will advise all suppliers and customers that the business is closing and the date from which Saferight will no longer need their services. Saferight would settle any outstanding amounts.

Notification methods will include but not be limited to the followings.

- posting a notice on Saferight shop front
- posting a notice on Saferight business's website
- personally advising customers
- advising customers through Saferight business's social media channels
- holding a 'closing down' sale, with the added benefit of selling off remaining stock
- sending out an email or letter campaign

Students will be advised of the closure date and receive the following support, at no cost:

- Saferight will negotiate placements with other RTOs, if training courses have not been completed
- access to student records will be made available through ASQA avenues
- outstanding certification will be completed prior to closure to ensure the student receives recognition for their training and achieving competency, as long as fees owing are up to date.

5. Ending lease agreements

Saferight will end the lease agreement when the business closes and pay outstanding rent, bills and other costs up until the end of the lease term.

Saferight will also seek their company's lawyer for professional advice.

6. Selling business assets and paying any outstanding bills

Saferight will sell or manage business assets when closing the business. Business assets can include but not limited to the below:

- all outstanding stock
- tools, equipment and machinery
- property and premises, including land or buildings
- business vehicles
- furniture, fixtures and fittings
- associated training equipment and resources
- domain names
- intellectual property such as patents or trademarks
- licenses and permits

7. Settling legal and tax responsibilities

Saferight will consider whether Capital Gains Tax (CGT) and Goods and Services Tax (GST) applies when closing the business. Saferight may need to include GST in the price of individual business assets that it sells. Saferight may also need to make GST adjustments on final activity statements, including for assets Saferight hold after cancellation.

Saferight may also need to:

- look at any insurance requirements for the business, such as run-off cover
- make GST adjustments on final activity statements
- lodge final tax returns
- cancel other tax registrations, within 21 days
- GST
- Pay as you go (PAYG) withholding
- Fuel tax credits
- cancel Australian business number (ABN) via the Australian Business Register
- cancel business name through the Australian Securities & Investments Commission (ASIC)

Saferight may consult ATO's selling or closing a small business webcast which details Saferight obligations across various government agencies.

8. Keeping business records

Saferight will continue to securely keep business records, including financial records, customer records and employee records for a minimum of 10 years. However, the Training Academy records will be transferred to ASQA, as per the requirements set for RTOs that close their training and assessment operations.

Saferight will ensure that the disposal of the records containing sensitive information in a way that is in line with the Privacy Act 1988.

Saferight will also consult the ATO website for a record keeping evaluation tool to assess business' record keeping and information management.

9. Tying up loose ends

Saferight will also perform:

- disconnect the services (telephone, power, water, internet etc.)
- redirect all mail through Australia Post
- contact local government licensing authority to cancel any licenses or permits
- close business bank accounts
- cancel web hosting and domain name
- shut down social media channels
- Check if state of Western Australia has any other requirements Saferight needs to undertake to ensure it successfully meets all obligations when closing its business.

APPROVED BY:



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