



Welcome to our June newsletter.

Hi there,

Despite recent interest rate decreases and the election now over, **times are still very tough and confidence is still low** – especially in the construction and hospitality industry. In Victoria, many businesses are feeling the pain of increased land tax and they are debating if they stay or leave the state like others. While mid-tier national retail brands have been hanging in there, we have seen a host of big-name retailers collapse in the past 12 months – including Wittner, Jeanswest, Colette by Colette Hayman, Ally Fashion and Mosaic Brands, (behind the likes of Millers, Rockmans, Rivers, Crossroads, Katies, Noni B and Autograph).

Unfortunately, the **construction industry** is beginning to impact credit and the economy. Fueled by various market forces, the industry is being **faced with up to \$6.5 billion in contract disputes and legal claims** annually. While this is **pushing up construction insolvencies**, there are some early and encouraging signs ahead. For those interested, I've provided [a link here](#) to a recent webinar from AICM on the topic.

With June and tax preparations now upon us, it's **important to tidy up your debtor's ledger and send your debts across if you haven't already**. This not only avoids tax on unpaid income but helps give you an accurate picture of your business' health. In turn, helping you make more informed decisions for the year ahead.

Our team has been extraordinarily busy with increased work and as usual I am proud of their professionalism, tenacity and problem-solving abilities. We have welcomed back Darryn to the team (such an asset) and have also welcomed Emma to assist the team.

I am also thankful for our valued referral network who offer solutions to our clients and debtors.

Kind regards

Jeanine & the team



Quick links

[Submit a Debt](#) | [Creditor Watch](#) | [Debt Recovery](#) | [Credit Solutions](#) | [FAQs](#)

(creditor)watch

CreditorWatch – Insolvency, Construction & Hospitality updates.

Insolvencies are still high but off the boil, with hospitality and construction the hardest hit.

The latest Business Risk Index (BRI) has revealed insolvencies have levelled out for the month, although at high levels. Construction and hospitality are the two hardest hit sectors, accounting for 40% of all insolvencies. Food and Beverage services are also leading the pack in other areas, with the 1 in 10 business closures, arrears, and ATO tax debt defaults over \$100,000.

The Trump administration's tariffs and economic uncertainties are still shaping Australian business. However, it's not all negative - with recent interest rate cuts and slower price increases being positive outcomes for businesses

That said, it's no longer a cost of living crisis — it's now also a cost of business crisis. With our economy now at a crossroads, insolvencies remain elevated. It is hoped recent RBA interest rate cuts will have beneficial effects in the second half of the year.

>> [Link to more information](#)



How to cut tax debt AND the hidden costs of your debtors

The Australian government - through the ATO - is increasing the pressure on Australian businesses to pay their Tax Debt. This is an uncomfortable - but hardly surprising - push from a government faced with \$34 billion in unpaid SME tax debt.

They've added an extra "incentive" that starts at the end of June. Under new legislation that applies from 1st July 2025, interest on unpaid tax debt is no longer a deductible business

expense. So the costs of any unpaid tax debt to your business - even if you have a payment plan - are about to increase.

Lots of businesses who got behind on their tax during COVID, then were lulled into “it’s a deduction” are going to spend even more time working for the government instead of working on their business.

More information and full article [here](#).

With thanks to Martin Cattach, Working Capital Strategist
Finance for Business



Australian Government
Australian Taxation Office

Key Tax Reform Changes & How to Take Action

Starting July 1, 2025, businesses will no longer be able to claim General Interest Charges (GIC) and Shortfall Interest Charges (SIC) as tax deductions. This reform adds additional pressure on businesses already struggling with tax debt, making it crucial to take action now.

What this means to you:

- Increased costs: Without the ability to deduct GIC (11.17%) and SIC (7.17%), overdue tax debts could grow even faster.
- Fewer options: Businesses will lose an important tool to offset the costs of their tax debt.
- Proactive action needed: Delaying action will only result in higher costs and fewer available solutions.

How to take action

Have an overdue tax debt? It’s important you take the time now to address these before the reform comes into effect. Speak to a tax specialist to understand your options and secure a manageable repayment plan. Working with a tax debt negotiator sooner rather than later will help reduce future liabilities.

Need support?

[Reach out to us](#) and we'll put you in touch with a tax specialist who can help. Here at Business Credit Solutions, we have trusted partners we work with that can guide you through the process.

Next Quarter Reminders

Send your debt ledgers before EOFY

Now is the time to get your debtors ledger in order. Send through your debts now as part of your wider tax preparations.

21 July 2025

Quarter 4 (April - June): Final date for lodgement and payment; PAYG instalments; GST instalments; Superannuation.

Due Dates for STP, PAYG & Activity statements can be found [here](#).



Almost 40 debts resolved for construction client.

We were contacted by an accountant with a construction client who was ready to retire. Before he could sell, he needed to recover 39 debts totalling \$180,000. Many of these invoices were either old, disputed or contact information had changed, creating a lot of additional legwork for the team.

Over a period of 6 months, we recovered close to 70% of the book debt with the balance being either settled or written off for various reasons. Key to this was taking the time to understand the business and utilizing various subscription only databases to locate debtors who otherwise could not be found. We also acted as a mediator in the disputed debts and resolved issues surrounding the reasons for non-payment.

These debts were a mix of Company and Consumer debt which has different rules and processes to be adhered to. The accountant and his client were very appreciative of the effort it took to recover these funds and advised we had exceeded their expectations

>> [Link to more information](#)

Submit a Debt Now

We're making it easy for you to submit a debt for collection. Simply use our online form or call us on +61 3 8488 8000.

[> Submit now](#)

Contact Us: [Business Credit Solutions | REPAID](#)

REPAID! Collections: (03) 8488 8000 info@repaid.com.au

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