

When it comes to equipment finance, businesses are wise to seek out industry specialists to achieve maximum benefit. WORDS: DAVID GANDOLFO

# SEEKING SPECIALISTS



**H**ave you noticed how many offers for finance you have had lately? The booming property market has fuelled the home loan industry, and some of the banks in that market have tried to use this base to cross-sell other, more specialised areas of finance.

As a result, there are now more players in what is generically known as the 'leasing' market – where commercial specialists provide business with finance for cars, trucks, planes, cranes, plant and machinery, office fit-outs – virtually any depreciable, income-producing business assets.

The trouble is that not all these 'specialists' are all that specialised. Your bank manager can offer you home loans, insurance products, factoring, superannuation and leasing, but he doesn't actually specialise in any of those areas.

A lot of home loan providers, accounting groups, aggregators and even financial planners have 'arrangements' for equipment finance, but again it's not their area of expertise either.

The serious end of the leasing industry is

made up of the established broking firms who concentrate solely on equipment finance. Those firms are easily identified by their membership of either the Australian Asset Finance Association (AAFA) Inc, or of the Australian Equipment Finance Association (AEFA) Inc. These two professional associations are the peak Victorian and NSW bodies respectively, and their members transact equipment finance facilities approaching \$4 billion per annum.

AAFA and AEFA members have every equipment finance option available to their clients, and the expertise to match each purchase with the right bank, facility type and structure. This can range from simple transactions to setting up foreign currency letters of credit, setting appropriate lease terms and maximising the benefits from depreciation and GST considerations. These are all important aspects that cannot be left in the hands of amateurs.

AAFA and AEFA brokers have career backgrounds in banking and commercial finance and by necessity they have a strong

understanding of the general business, taxation and accounting principles relevant to equipment finance. Without these attributes, industry and tertiary qualifications they would fail in the commercial finance market.

AAFA and AEFA membership is also an industry credential, meaning your broker has met stringent qualification standards as well as passing strict character and probity standards. Jointly these bodies have their own Professional Indemnity Insurance scheme and have even developed their own tertiary education program.

AAFA is in the process of merging with its NSW counterpart, AEFA. The combined body will be known as the Commercial Asset Finance Brokers Association of Australia (CAFBA) Inc. CAFBA will simply broaden the activities of two state-based bodies to one national one, and will form a platform for dealing with financiers, regulators and legislators at a national level. ■

*David Gandolfo is currently the AAFA President, and will continue as President of CAFBA. For further information, or contact details go to [www.aafa.com.au](http://www.aafa.com.au).*