

August / September 2019 \$9.95

# Public accountant

THE OFFICIAL JOURNAL OF THE INSTITUTE OF PUBLIC ACCOUNTANTS



inside  
**THE IPA AT THE  
ICSB WORLD  
CONGRESS**

## *Accountants on the* **FRONTLINE**

How accountants are adopting a leadership role in  
the fast-growing Australian defence industry

THOMSON REUTERS

# Practice Solutions

Thrive in an era of change

Get the essentials right so you can focus on what matters most.

- ✔ Tax and Practice Software
- ✔ Information and News
- ✔ Compliant Legal Documents



Packages start from \$82.50 per month



Contact our team to see what's right for your practice.

Get Answers: 1800 074 333

[tax.thomsonreuters.com.au/practice-solutions/](http://tax.thomsonreuters.com.au/practice-solutions/)



the answer company™  
THOMSON REUTERS®

# Public accountant

THE OFFICIAL JOURNAL OF THE INSTITUTE OF PUBLIC ACCOUNTANTS



Cover and main feature image credit: Staff Sgt. Jensen Stidham



## 28

### Accountants on the frontline

Australia's defence industry is gaining strength fast. The exciting new developments planned under the government's \$200 billion investment are seeing accountants adopt a leadership role in this money-rich industry

by Maja Garaca Djurdjevic

## Features

### 34

#### Neurodiversity: Embracing differences

A diverse workplace is mostly thought of in the context of gender or ethnic division, however, in recent years the concept of neurodiversity has emerged as an area of growing interest for employers looking to diversify their workforce

by Maja Garaca Djurdjevic

### 40

#### 21st century telescreens: The good, the bad and the ugly

For better or worse, social media floods our lives. It can be used to spread innovative ideas or to predict epidemics, but it also serves as a powerful tool for organisations and political leaders to target and diffuse specific opinions

by Maja Garaca Djurdjevic



Read Public Accountant magazine online and add your ideas: [publicaccountant.com.au](http://publicaccountant.com.au)

Public Accountant magazine is now available to read online on the Public Accountant digital hub, which contains articles from the print magazine and much more.

Visit [publicaccountant.com.au](http://publicaccountant.com.au) and join the conversation.



# 48

## 'I am good enough'

Carolyn Geyer was brought up on the notion that it's the husband's job to provide for his family, and a wife's duty to raise the children and run the household. But having initially devoted herself entirely to her family, she decided to break the self-imposed shackles at 36 and pursue a career. Today, she is a woman with a big job and a big family

by Maja Garaca Djurdjevic

"When you have been brought up to believe that business is not your role, it takes a little bit of time to come to terms with the fact that it actually is. So, it took me some time to realise that I can do anything I want"

– Carolyn Geyer

### 10 Policy radar: What to expect from ScoMo

ScoMo's campaign, which included tax cuts and a focus on strengthening the economy, won him the vote as Labor's reform roadmap fell short despite several polls predicting Bill Shorten would be the country's new prime minister. We take a closer look at Mr Morrison's policies

### 14 A focus on mental wellbeing

One in five Australians aged 16-85 experienced mental disorders in the previous 12 months. Wayne Debernardi sheds light on these concerning figures and explains his personal battles with mental illness



# 53

A wrap of the latest news, strategies and insights on the business front

## Regulars

4 **President's report**

6 **From the CEO**

22 **Advocacy**

We follow Vicki Stylianou to the ICSB World Congress held in Cairo, Egypt, and take a closer look at the IPA's latest submissions

78 **Register of members**

## Opinion

60 **How to make the digital transition work for your firm**

A few years ago, Xero released its *Digital or Die* report. It showed that digital firms were growing four times faster than the industry average. And while this is clearly something that many practices would jump at, making that transition is clearly easier said than done

by Luis Sanchez

64 **360 Degrees**



Public Accountant is published bi-monthly by Momentum Connect for the Institute of Public Accountants.

Vol. 35 No. 4 ISSN 1839-4264

#### Editorial board IPA

Wayne Debernardi  
Vicki Stylianou

#### Content manager

Maja Garaca Djurdjevic

#### Designers

Dan Berrell  
Alisha Middleton-Sim  
Jack Townsend

#### Senior production editor

Keith Ford

#### Production manager

Lyndsey Fall

#### Editorial enquiries

Maja Garaca Djurdjevic  
(02) 9922 3300  
maja.djurdjevic@momentumconnect.com.au

#### Advertising enquiries

Jehan Hapuarachchi  
(02) 9922 3300  
jehan@momentummedia.com.au

#### Subscriptions

(03) 8665 3115



Momentum Connect  
Level 13, 132 Arthur Street,  
North Sydney, NSW, 2060

©Momentum Connect, 2019.  
All rights reserved.

#### Publication Conditions

The opinions expressed in Public Accountant are those of the authors, not the Institute, unless otherwise stated. The IPA accepts no responsibility for the accuracy of information in articles and advertisements in Public Accountant. Article submissions to Public Accountant by IPA members and others are welcome. Articles are accepted for publication only on the condition that the authors give the IPA an irrevocable non-exclusive licence to publish the article and authorise the Institute to give permission for reproduction of the article in whole or in part by other persons and organisations for educational and training purposes, as well as on the IPA websites.



# TAKE ADVANTAGE THE IPA PROGRAM

The IPA Program, designed and delivered in partnership with Deakin University, provides you with both professional recognition and an internationally recognised Master of Business Administration (MBA).

Learn from internationally recognised experts who will expose you to innovative concepts and ideas, improving your ability to influence. Complete an MBA in as little as six units, and with all units delivered online to allow study at your own pace.

## ASK US HOW

To find out more call us on 1800 625 625 or visit [publicaccountants.org.au/ipa-program](http://publicaccountants.org.au/ipa-program).

## Small business: Big vision



**N**ext month, the IPA Deakin SME Research Centre will be holding the IPA Deakin SME Conference over three days, supported by the International Council for Small Business and representatives from the US Small Business Administration (SBA).

This event is unique in that it is bringing high profile international speakers to present and workshop with government, regulatory and industry stakeholders to drive the creation of the small business ecosystem.

In many ways it will bring to life our Australian Small Business White Paper, supported with learnings from the US and a focus on the five pillars of an SME ecosystem.

A business ecosystem is the network of organisations – including suppliers, distributors, customers, competitors, government agencies, and so on – involved in the delivery of a specific product or service through both competition and co-operation. The idea is that each entity in the ecosystem affects and is affected by the others, creating a constantly evolving relationship in which each entity must be flexible and adaptable in order to survive.

The five pillars used in the US SME ecosystem includes a financial capital pillar that looks at SME funding models, building capital access programs, financial literacy and financial wellbeing. A second pillar, innovation, seeks to use innovation as the driver of business growth and competition; and as a diffusion process. We hope to drive innovation and entrepreneurship in the Australian economy.

The third pillar is trade and internationalisation, which will explore Australia as a trading nation, overcoming current barriers to trade impacting SMEs; and gaining government support and access to resources including funding and access to free trade agreements.

On the second day of the conference, the pillar of creating the right regulatory environment, will look at taxation models globally. It will also discuss competition laws and SMEs, as well as best practice regulatory models for SMEs.

A pillar relating to human capital will look at the definition of work and the intangible nature of human capital; changing business models and modes of human capital, including the emergence and impact of AI (artificial intelligence), and 4IR (Fourth Industrial Revolution).

The conference will also include a number of plenary sessions; and the final day will be devoted to an SME doctoral symposium, which will involve a number of PhD student presentations.

International speakers include Eugene Cornelius Jr, senior adviser to the US Office of International Trade at the SBA; Dr Ayman El Tarabishy, an award-winning author and teacher and currently an associate teaching professor of management at George Washington University; and Dr Winslow Sargeant, managing director of S&T and former chief counsel for advocacy appointed by and reporting directly to president Barack Obama.

To bring this together and involving world thought leaders in the SME space is quite a feat. The outcomes will help us drive our advocacy program to include an Australian SME ecosystem aimed at fostering greater government interest and support for SMEs.

Damien Moore FIPA FFA

# EVERYONE DESERVES TO BE PAID FOR THEIR WORK.

New payment laws are making the building industry fairer.

If you need to pay for construction work, goods or services, these laws apply to you.

You now have to make sure you action all invoices and pay on time.

[www.qbcc.qld.gov.au](http://www.qbcc.qld.gov.au)



## One Voice: One profession



It would be fair to say that the lead up to the election in May saw an unprecedented and unnecessary spotlight on the accounting profession.

At one stage, taxpayers and tax agents alike were referred to as 'rorters', with the opposition looking to cap tax deductions in relation to tax advice. We know that not only was the basis of the policy thinking unfair but also untrue, as it was based on a small sample size and with aggregated data that distorted the figures.

Media headlines can too easily alter public perceptions and as a profession, we must address this with concerted effort and one shared voice. Trust is our foundation and we must work together to respect the trust that clients and others put in us and protect this status.

We also need the respect of government regardless of which party is in power so our advocacy work in the best interests of our members and small business continues. Commentary that tax agents are 'rorting' underscores the importance of a strong voice and of our trusted adviser status.

It is when we act as one, we carry the strongest voice. Our One Voice program is designed to project the most credible voice possible and across all of our operational jurisdictions. The program continues to build and has already seen the implementation of a multi-jurisdictional content platform and will extend to consistent advocacy and media approaches.

The glue that holds this together is our common ground and consistent messaging in support of small business. Issues facing small business are very much the same in the UK as they are here in Australia. In May, we conducted our second delegation to the UK to provide members with a better understanding of these commonalities as well as knowledge of the UK market, particularly as the struggle to make sense of Brexit continues.

Our advocacy efforts must be based on sound evidence, particularly when lobbying government, and the IPA Deakin SME Research Centre has been invaluable for this purpose. Our Australian Small Business White Paper demonstrates the value of such research, with a number of successes from both the 2015 and 2018 editions.

Our proposed loan guarantee scheme has had good traction especially with the NSW government, and more recently with the \$2 billion win of the federal government translating our recommendations into the Australian Growth Fund and the Australian Business Securitisation Fund.

With the reinstatement of the Coalition to government in May, we have started discussions with both the Small Business Minister and the Assistant Treasurer to further our pledge to drive small business productivity. We need this to be a shared and common cause – if Australia does not raise productivity levels, we face the genuine prospect that the next generation will inherit a poorer quality of life than what we enjoy today.

Andrew Conway FIPA FFA



## Professional Assist

### THE IPA'S ONLINE TECHNICAL HELPDESK

Professional Assist connects you with leading specialists who provide expert advice on regulatory and complex business issues that may affect you and your clients.

For more information and to register, visit  
[PUBLICACCOUNTANTS.ORG.AU/PROFESSIONAL-ASSIST](http://PUBLICACCOUNTANTS.ORG.AU/PROFESSIONAL-ASSIST)

### WHY USE PROFESSIONAL ASSIST?

- Complimentary for IPA Members
- Access advice on superannuation, taxation, corporations law, workplace law and more
- Quick responses to your complex technical queries
- All advice is provided in writing and covered by Professional Indemnity Insurance
- Receive monthly newsletters containing regular industry updates
- Access to an extensive research library, housing thousands of articles and previously asked questions

## IPA in the media

The IPA has actively engaged with the media on a wide range of important and pressing issues such as Labor's tax advice cap, fintechs, and mental health.



### Shorten outburst on advice cap

[Andrew] Conway has called on Mr Shorten to issue an apology to the tax profession for his inaccurate representation of tax agents. "His comments show no understanding of the practical tax advice that agents give."

- Accountants Daily

### Honesty of current system

[Andrew] Conway said that there were already substantial penalties for advisers doing the wrong thing and that it was highly inappropriate to have a universal cap for all taxpayers as circumstances differed and a one-size-fits-all was inequitable.

- Money Management

### Misinformation in tax agent fee model

If aggregated figures are being used, then this is misleading the public," [Andrew] Conway explained, adding, "Importantly, if aggregated figures are being used, the predicted savings will not be realised. You can polish the crystal ball as much as you like, it doesn't mean you will see future savings."

- Selfmanagedsuper Magazine

### Fintechs thriving in lending squeeze

Once upon a time it was either the banks or the banks, but in the last five years there are a plethora of fintechs out there who can provide funding, and relatively quicker than a bank."

- Tony Greco, MyBusiness

### Role of accountants in mental health

As a profession, we cannot ignore our social responsibility. That does not mean we are the fixers but more the concierge service; that when we recognise our small business clients in stress, we guide them to ensure professional assistance and solutions are achievable."

- Andrew Conway, Accountants Daily

### Accountants claim victory

The threat to cap tax deductions for tax advice is no longer a prospect with Labor's loss in this election."

- Andrew Conway, Australian Financial Review

### Labor's tax advice cap

Many Australians will experience a complex tax issue at some stage. By restricting an Australian's ability to engage a professional, it hampers their ability to get good tax advice."

- Andrew Conway, The Sydney Morning Herald

### Labor accused of misleading public

Simply put, genuine taxpayers are not rorters. They should be seeking the right tax advice from their trusted adviser, the accountant, to make sure they continue to claim their rights and pay the correct amount of tax."

- Andrew Conway, MyBusiness

## Vale Michael Andrew

The Institute of Public Accountants would like to recognise the contributions Michael Andrew has made to advancing taxation policy in Australia and the benefits his work has made to the community.

Mr Andrew passed away on Sunday, 23 June after a long battle with illness. He was a highly respected member of the business and tax community.

Mr Andrew was a former KPMG International and Asia-Pacific chairman, but he also performed numerous public sector and community leadership and advisory roles.

Mr Andrew was appointed chair of the Board of Taxation in January 2015 and chair of the Black Economy Taskforce in December 2016.

The IPA's general manager of technical policy, Tony Greco, had the

privilege to work alongside Mr Andrew on the Black Economy Task Force.

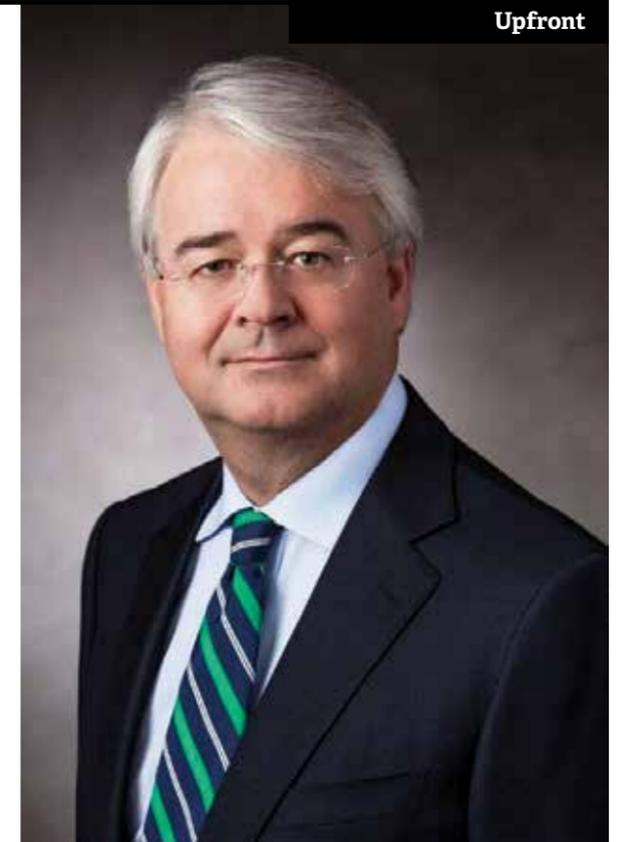
"This review will be part of the long legacy of achievements that Michael leaves behind for the benefit of the community," Mr Greco said.

Australia's Treasurer Josh Frydenberg praised Mr Andrew's role in the tax community.

"Michael was a highly respected member of the business and tax community and made a significant contribution to improving Australia's tax system," Mr Frydenberg said.

"On a personal level, over the number of years I have known Michael I have always found him profoundly decent, professional and possessing a strong sense of public duty."

The Institute of Public Accountants offers its sincere condolences to Mr Andrew's family and friends.





**INSTITUTE OF PUBLIC ACCOUNTANTS\***

# 2020 TAX CRUISE PHUKET

## 31 MAR - 4 APRIL DEPARTING SINGAPORE

FAMILY AND FRIENDS WELCOME  
PRE-REGISTER TODAY!

The luxurious 'Quantum of the Seas' departing Singapore and visiting the exotic Phuket and Penang is our destination for our Tax Cruise in 2020. Earn up to 16.5 CPD hours whilst at sea as well as spending quality time with family and friends. Peter Adams, our presenter, has knowledge of the highest calibre regarding Australian tax and will present in a very entertaining and memorable manner.

We anticipate this unique event will be very popular so don't delay and book now!

For more information contact the QLD Division on **07 3034 0900** or **QLDDIVN@PUBLICACCOUNTANTS.ORG.AU** or pre-register online now at **PUBLICACCOUNTANTS.ORG.AU/EVENTS/CONFERENCES**

EVENT PARTNER





# Policy radar: What to expect from ScoMo

...

Scott Morrison's Liberal government declared victory in the federal election on 18 May, in a surprise win over the Labor Party.

Mr Morrison's campaign, which included tax cuts and a focus on strengthening the economy, won him the vote as Labor's reform roadmap fell short despite several polls predicting Bill Shorten would be the country's new prime minister.

The business community responded with cautious optimism, which was expected given that a number of promises were specifically aimed at the small business sector in the lead-up to election day.

Accountants too were hauled into the political debate during the pre-election season, with Labor proposing to cap the deductibility of accountants' fees. Bill Shorten went so far as to liken the deductibility of tax agents' fees to a "rort", firing up the profession and sending them into a lobbying spree.

But as the sun set on 18 May, the future was clear. Mr Morrison took an unbeatable lead and calls for him to honour his commitments to the small business community swiftly followed.

The Australian Small Business and Family Enterprise

Ombudsman (ASBFEO), Kate Carnell, said she expected the Coalition to act on its pre-election policy commitments.

She advised the returning Morrison government to prioritise the Treasury's review of the unfair contract term legislation and proceed with the creation of a mental health portal specifically for business owners.

James Pearson, head of the Australian Chamber of Commerce and Industry, called for policies that will support small business and the millions of people that depend on them.

Meanwhile, MYOB CEO Tim Reed said that its surveys have pointed to taxes, energy costs and the instant asset-write off as the issues troubling SMEs most.

And, according to the pre-election promises and the words uttered since, over the next three years accountants and their small business clients can expect the following changes:

## Instant asset write-off

The instant asset write-off threshold has been lifted to \$30,000 for each asset from 7.30pm AEDT, 2 April 2019, and extended to 30 June 2020.

This means that if you are a small business with a turnover of less than \$10 million, you can immediately deduct the business

portion of most assets that each cost less than \$30,000 if they are first used or installed ready for use from 7.30pm, 2 April 2019 to 30 June 2020.

However, if the asset was first used or installed ready for use from 29 January 2019 until 7.30pm AEDT, 2 April 2019, you can still immediately deduct the business portion of most assets costing less than \$25,000 each. Before 29 January 2019, the relevant threshold is \$20,000.

Businesses with a turnover from \$10 million to less than \$50 million are now eligible for the instant asset write-off for assets purchased for less than \$30,000 each from 2 April 2019 to 30 June 2020. For assets purchased for \$30,000 or more, the general depreciation rules must be used.

## Company tax rate changes

The Australian company tax rate is good news for the SME community.

Last year's tax rate of 27.5 per cent for companies with turnover under \$25 million now extends to companies with turnovers up to \$50 million.

So if your company falls within this category, make sure you factor in the 2.5 per cent tax cut.

When approaching the distribution of your profits, be mindful that your applicable tax

## Examples of assets that may qualify for the deduction include:

- Motor vehicles
- Small manufacturing plant and equipment
- Restaurant kitchen equipment
- Calculators
- Computers and software
- Office furniture such as desks, chairs, lamps, filing cabinets and bookshelves
- Hand tools or power tools
- Protective items and safety equipment
- Technical instruments

rate could affect the franking percentage attributable to your dividends.

Mr Morrison has promised the company tax rate for small businesses will come down to 26 per cent in 2020-21 and further to 25 per cent from the 2021-22 financial year. This means the risk of trapped franking credits will be an ongoing issue for companies.

## Income tax

Australians currently lodging their tax returns will receive a bonus of up to \$1,080, after Mr Morrison succeeded in seeing his flagship tax cuts approved in Parliament in the first week of July.

During his campaign, Mr Morrison pledged to cut taxes for "hard-working Australians" by more than doubling the low- and middle-income tax offset.

The first stage of Mr Morrison's \$158 billion three-stage tax cuts will deliver a benefit of up to \$1,080 for singles and up to \$2,160 for couples.

The second stage will mean more people, earning up to \$45,000 instead of \$41,000, will

get a 19 per cent tax rate, while the third stage will lower the tax rate from 32.5 per cent to 30 per cent for everyone earning between \$45,000 and \$200,000 from mid-2024.

The Institute of Public Accounts (IPA) warned in April that although some of Australia's unincorporated small businesses may welcome the news of personal income tax cuts, many will not reap the benefit this tax time.

"The current low- and middle-income tax offset has in effect been increased from \$550 to a new maximum of \$1,080 but only for those within the income bracket level of \$48,000 to \$90,000. Those beyond this bracket will be waiting until 2024-25," IPA CEO Andrew Conway said.

## Investment fund

Mr Morrison committed to the creation of 250,000 new small and family businesses over the next five years, by providing \$100 million in funding and partnering with financial institutions to create a small business investment fund.

The fund will aim to expand to \$1 billion as it matures.

The model is different to the already announced \$2 billion Small Business Securitisation Fund, which is designed to free up debt capital for alternative lenders.

More recently, the PM promised to establish a new Manufacturing Modernisation Fund, to support manufacturers making the transition to digital technologies.

## Export marketing scheme

An export marketing scheme is receiving an extra \$60 million after the Morrison government succumbed to calls from the sector to do more to help small and medium-sized businesses



drive digital exports and compete with their overseas peers.

Annual funding for the scheme had been frozen at \$131 million since 2014.

## Skills for today and tomorrow

The government is expected to provide \$525 million to the Delivering Skills for Today and Tomorrow package. Budgeted in 2019-20 are two actions: the establishment of a national skills commission and a national careers institute.

However, according to expectations, some 40 per cent of the funding is planned to be resourced as late as 2023-24.

## Slashing payment times

Mr Morrison has promised to slash payment times, forcing Australia's top 3,000 companies to commit to paying small businesses within 20 days if they want to tender for government contracts.

Mr Morrison has also pledged to cut the government's payment times from 30 to 20 days for invoices under \$1 million.

Moreover, the Coalition has pushed forward with a range of

initiatives including an annual payment reporting framework for large organisations with over \$100 million revenue.

## Levelling the playing field

The Morrison government has also promised to give small businesses a fairer go when dealing with larger businesses with other policy pledges.

Reforms in this direction include:

- Reforms to competition policy to prevent big businesses abusing their market power;
- New unfair contract legislation to protect small business;
- Free, fast and binding dispute resolution under the new Australian Financial Complaints Authority;
- Stronger enforcement to combat illegal phoenixing activities;
- An advocacy voice in the Australian Small Business and Family Enterprise Ombudsman.

## Expectations

On the eve of the election, Public Accountant asked accountants nationwide which policies are predicted to have the biggest impact on

their practices and what the main concerns for their small business clients are.

A majority said that business will essentially remain unchanged under a Liberal government.

"Should the Liberal government be re-elected it will largely be business as usual," said Kylie Parker, director at Lotus Accountants, before the election.

However, all were very concerned by a possible Labor win, predicting additional compliance in relation to self-managed superannuation funds, trusts, non-resident CGT issues, negative gearing changes, a 25 per cent CGT reduction on assets held greater than 12 months, among others.

"I personally want healthcare, climate change and a social security safety net as priorities, however I don't believe these policies are anything more than politically divisive rhetoric and unfortunately the majority of Australians know next to nothing about our tax system," concluded Ms Parker.

With Parliament now in session, the pressure is on Mr Morrison to deliver. 🗳️

# From forgotten to engaged, how regular meaningful conversations can help save lives

From corporates to small business in regional, rural and remote communities - the difference an R U OK? conversation has made

Stephen Dowling was born and raised in an isolated mining town. Growing up in Broken Hill gave him first-hand insight into the pressures faced by people living in isolated parts of Australia. It's no surprise that today his work is driven by the desire to promote help-seeking behaviour across the many regional, rural and remote communities in which he works.

It all started when, at 28, Mr Dowling joined Western Mining Corporation as a remuneration specialist and accountant.

Not long after that, he joined BHP Billiton, where he handled the human resources issues along with his usual accounting duties.

Only 10 years after leaving his hometown, Mr Dowling had achieved career success with promotion to vice-president HR/HSE for BHP Engineering - a global construction business.

But that's not all Mr Dowling did.

While holding down a significant corporate role, he would use his spare time to establish his own small business. Not your usual side hustle, this business was created to support those facing difficult situations.

Mr Dowling also became an R U OK? ambassador and principal master mental health first aid instructor.

Why? He was witnessing first-hand the effects of the late '80s and '90s economic crisis, dotcom crash and GFC economic crisis on regional, rural and remote mining towns.

"There were significant economic downturns across many industries and I was able to work with complex organisations to provide care and support for others, in the most difficult of times," Mr Dowling explains.

Many people, struggling through no fault of their own, inspired him to go a step further.

"My business, Delivering Safe Services and Safe Production, led me to become a specialist in physical and psychological risk mitigation for people at work," Mr Dowling recalls.

Its mission - to empower everyone to meaningfully connect with people around them and support anyone struggling with life utilising the R U OK? message and mental health first aid skills to encourage help-seeking behaviour.

Mr Dowling has been helping organisations large and small to land on their feet since he left BHP in 2001.

He and his clients have picked up many state and national awards along the way. Most recently, Mr Dowling was the recipient of the 'R U OK? Conversation Champion' of

Australia Award at the inaugural R U OK? Barbara Hocking Memorial Awards.

Held in Sydney by suicide prevention organisation R U OK?, the Barbara Hocking Memorial Awards recognises efforts to create a world where we are all connected and protected from suicide.

The panel took the time to celebrate Mr Dowling for his significant contribution to suicide prevention work, which has opened up the conversation for many in regional, rural and remote communities.

"Stephen's work spreading the R U OK? message within regional, rural and remote communities has delivered real impact, encouraging others to have regular, meaningful conversations and invest more time in the people around them," said Katherine Newton, CEO of R U OK?.

Mr Dowling explained that while he is proud to win this award for his promotion of R U OK? in regional, rural and remote locations throughout Australia, he looks forward to continuing to share and learn with others with one single focus in mind; to continually reduce the risk of suicide and encourage people to seek professional clinical help.

"In my work over the years I have come to see specific industries that seem to be forgotten. The truth is that regional, rural and remote communities are forgotten," explains Mr Dowling.

"Sometimes they have no one they feel they can turn to and the message of R U OK? and the knowledge of mental health first aid skills can encourage people to seek professional clinical support within their community.

"Whilst I've got a corporate background, I've always managed and owned a small business myself. For



me it's about giving back to communities that sometimes can be overlooked."

Mr Dowling also works with National Rural Independents to

help him identify high risk rural and remote communities around Australia, where he then runs R U OK? Mateship and Mental Health First Aid workshops.

Since 2018, workshops have been delivered at Lake Bolac, Cobram, Balranald, Serpentine, Toowoomba, Port Lincoln, Eyre Peninsula, Dry Creek, York Peninsula, Esperance, Launceston, Emerald and Townsville.

"Being an accountant, when you start to look beyond the averages and you start to look at the communities, you can see a lot of communities in remote, rural and regional locations that are really hurting," he clarifies.

Today, married and a father of two, an award-winning R U OK? ambassador and principal master mental health first aid instructor, and a successful small business owner, Mr Dowling is also a valued member of the Institute of Public Accountants, of which he has been a part for 37 years.

In closing off our interview, Mr Dowling says he would like to reiterate the importance of keeping an eye on SME and small business owners in regional, remote and very remote communities.

He advises accountants to expand their knowledge of mental health first aid, with the goal to help themselves, their staff and their small business clients.

"As accountants we focus on the 'why' and the 'what', but on some issues we need to learn the 'how to'. How to encourage others to have regular, meaningful conversations. If needed, utilise the key messages of R U OK? and mental health first aid skills in an effort to promote mental health literacy and encourage help-seeking behaviour," Mr Dowling concludes. 📌

## MENTAL HEALTH FIRST AID

FOR IPA MEMBERS AND SMALL BUSINESS

Delivered by Stephen Dowling FIPA FFA - Principal Master MHFA Instructor



The Mental Health First Aid for Small Business, Finance and the Accounting sector is a one day course teaching how to assist a co-worker, client or person in distress who is developing a mental health problem or in a mental health crisis. The mental health first aid is given until appropriate professional help is received.

IN PARTNERSHIP WITH



SAVE THE DATE

CANBERRA ACT 1 OCT | SYDNEY NSW 3 OCT  
HOBART TAS 10 OCT | ADELAIDE SA 15 OCT  
PERTH WA 17 OCT | MELBOURNE VIC 24 OCT  
BRISBANE QLD 31 OCT

To find out more or to register, visit:

[PUBLICACCOUNTANTS.ORG.AU/2019MHFA](http://PUBLICACCOUNTANTS.ORG.AU/2019MHFA)



# A focus on mental wellbeing

One in five Australians aged 16-85 experienced mental disorders in the previous 12 months. Wayne Debernardi sheds light on these concerning figures and explains his personal battles with mental illness



**Wayne Debernardi,**  
general manager, media and strategic communications, IPA

When the IPA, led by CEO Andrew Conway, conducted its nationwide small business roadshow in 2017 to help inform the development of the second edition of the Australian Small Business White Paper (published last year), a few new factors came to light.

The IPA undertook the same insight gathering mission in 2014, but factors that may have been lurking beneath the surface were not among the key issues identified for inclusion in the first edition of the white paper.

At the time, an emerging issue for small business was cyber

security, including the genuine concern of business disruption or destruction through ill-doing parties infiltrating their technology.

The more alarming concern, which only raised its head in the three-year period between roadshows, is mental health as a significant struggle for small business. In that period, we heard many stories of anxiety and depression from small business owners and practitioners, which mostly stemmed from running a small business.

Too many stories to be ignored.

Mental illness or ill-health is not new, but I would say that we now have a heightened awareness and its status is growing within our community.

Unfortunately, we often see news and advertising of the dangers of drug addiction and alcohol abuse on the streets and on television, and many of us quite rightfully or wrongfully shy away. We just don't want to know.

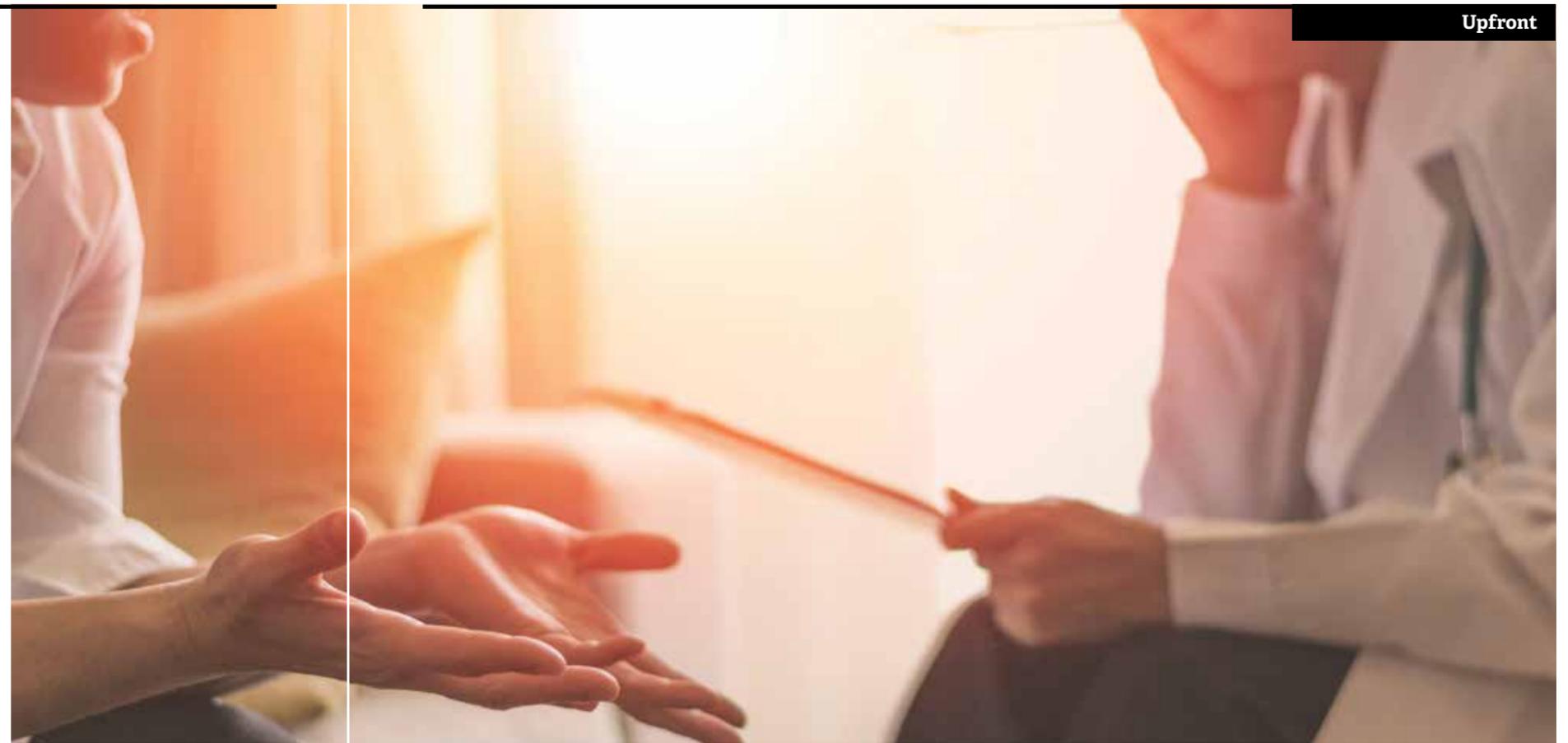
But what about the many cases where people suffering a mental illness self-medicate in order to 'escape'?

Mental illness comes in many different guises: depression, anxiety, psychosis, substance abuse, gambling abuse, eating disorders, schizophrenia, bipolar disorder, post-traumatic stress disorder and the list goes on.

But these are all illnesses and they need to be understood and treated. If I had diabetes, it would need to be treated; if I have depression, it would need to be treated.

The most recent National Survey of Mental Health and Wellbeing, a community survey of 8,841 people aged 16-85 years of age, living in private dwellings across Australia, found that one in five (20 per cent) had a common mental illness (anxiety, depressive or substance use disorder) at some time during the previous 12 months<sup>1</sup>.

Type of mental illness	Males	Females	All
Anxiety disorders	10.8%	17.9%	14.4%
Depressive and bipolar disorders	5.3%	7.1%	6.2%
Substance use disorder	7.0%	3.3%	5.1%
All common mental illnesses	17.6%	22.3%	20.0%



If this was to be extrapolated out, it would equate to 3.2 million people.

Take the below statistics into consideration.

While the figures show a stronger lean towards females, bi-polar disorder affects an equal number of male and female sufferers.

Some years ago, my wife and I took a young woman under our roof. She had been a school friend of our daughter and we could see her struggling; we just didn't know what she was struggling with at that time.

Placing ourselves in the role of her carers, we quickly learned that we had taken on a significant responsibility as she was battling anorexia, depression, mood swings, as well as suicidal thoughts.

We advised her to see a psychiatrist and I attended many sessions with her. Ultimately, we discovered and foiled her plan to commit suicide in our house; at which point we sought additional professional guidance and I forced her father to become involved.

That young woman is now 29 years of age. She is one of the lucky ones or perhaps better said, a survivor. The key for us was to get her the appropriate professional help that she required.

Of course, attempted

suicide is sadly the end result for many sufferers and is a significant risk for people with depression. Of Australians aged 16-85 who have had a depressive disorder in the past 12 months, approximately 4 per cent attempt suicide<sup>2</sup>.

### Ending stigma

As I have already emphasised, mental illnesses need to be treated just as any other illnesses are.

Unfortunately, there is still significant stigma placed on people with mental illness. Some of this stems from the fear of the unknown, the failure to recognise and relate to people with mental health issues or symptoms, while some is spurred by pure ignorance.

From a societal perspective,

we all need to do our part in breaking down the walls, and removing stigma is a vital step in this direction.

Think again of the one in five statistic. It could be your work colleague, a member of your family, a loved one or a neighbour.

It could be you. And remember, mental health and mental ill-health have no timeline.

### Who lives among us?

It is not your job to identify someone who may be affected by a mental illness. But being aware that a person may need help, and offering them that help, is something that all of us should consider.

I know that many may see this as a harsh call and that it may not be for everyone,

but I ask you to remember the 20 per cent factor.

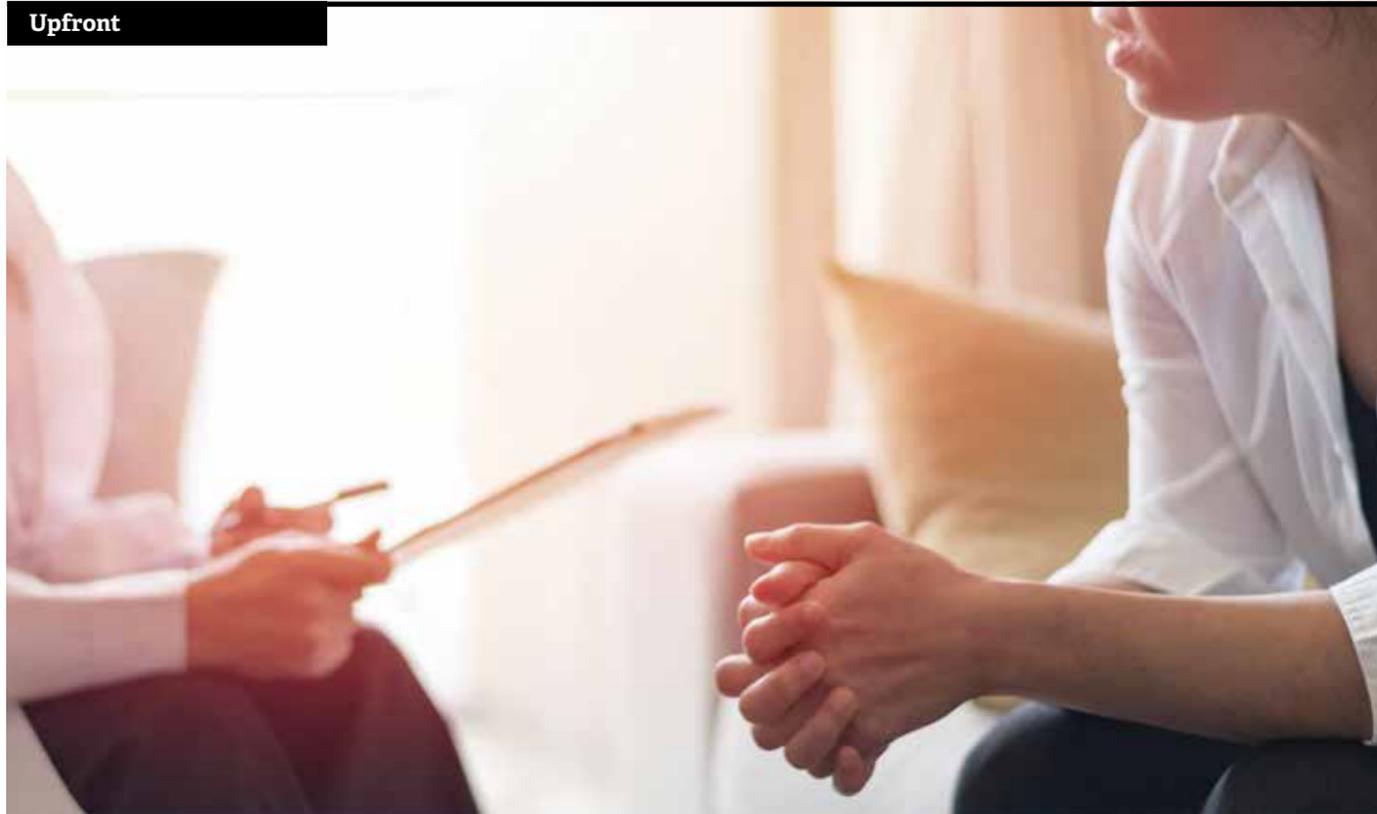
We could be talking about someone you love. Keep in mind that such conditions have no timeline. They may appear over the course of a lifetime, much like small cracks in a wall that get bigger and eventually bring the wall to the brink of collapse.

Some people are born with problems, some experience a traumatic event at a stage in their lives, while others may suffer from everyday life inducing anxiety and depression.

For those who know me, what if I said I was one of the five, one of the 20 per cent? Would you treat me any differently? Or, more importantly, would you ask me if I was OK?

<sup>1</sup> Australian Bureau of Statistics. 2007 National Survey of Mental Illness and Wellbeing: Summary of Results. (Document 4326.0). Canberra: ABS; 2008.

<sup>2</sup> Johnston AK, Pirkis JE, Burgess PM. Suicidal thoughts and behaviours among Australian adults: findings from the 2007 National Survey of Mental Health and Wellbeing. Australian & New Zealand Journal of Psychiatry 2009; 43: 635-43



**R U OK?**

All of us have probably participated in the annual R U OK? Day. The IPA has been very active in its support.

But let me ask you this: why do we wait for an annual event to ask someone if they are OK?

Why do we treat this day like mother's and father's and family day? Or my personal favourite 'please let me sleep-in day' (just made that up but please email your support - numbers make a difference)?

Don't get me wrong, I am all for R U OK? Day, and consider it to be a vital awareness builder and please let's keep it going.

In fact, the story behind R U OK? here in Australia is quite heart-warming.

In 1995, Barry Larkin was far from OK. His suicide left loved ones with endless questions. In 2009, his son Gavin championed a cause to honour his late father by asking just one question in the hope of

protecting other families from such circumstances.

R U OK?

I doubt there are many Australians out there that have not been touched by the R U OK? movement.

The question remains, are we checking each other to see if we are OK? If we see signals of concern, what are we doing?

**IPA's focus on mental health and wellbeing**

Following the publication of the second edition of the Australian Small Business White Paper, the IPA has continued its research through the IPA-Deakin SME Research Centre to focus on the subject of mental wellness.

The IPA takes a holistic approach to policy development, which means looking beyond economic and financial considerations; it includes all aspects of small business life. The IPA research will continue and its efforts

in this space go beyond the white paper.

In late 2018, Andrew Conway played a pivotal participating role in a small business mental health roundtable initiated through Australia's Prime Minister. This has led to a number of working groups that the IPA is currently actively involved with.

In May of this year, the IPA provided managers with increased insight with a training and accreditation program on mental health first aid. I was fortunate to participate and later to be accredited. That's not brass-badger rubbing; it's recognition that the training was extremely useful.

I would encourage all members and small business clients to increase their awareness in this space. The training is provided by Mental Health First Aid Australia.

In the past, we may have taken up first aid training opportunities including CPR. Mental Health First Aid training is just another way to equip us to help another human being.

I must reiterate that getting people the right professional assistance is paramount and this includes starting with a trusted GP. I would highly recommend those interested contact Mental Health First Aid Australia.

We, as an organisation, continue to be concerned with the mental health of the small business community. We recognise the vital role our members play in this space. We will continue to communicate on this subject, knowing that accountants, as a point guard on trust, may be serving clients that are experiencing difficulties in this area.

To close, and in case you were wondering and for all that know me well, I am one of the 20 per cent. ☺

# A Wonder Woman's Guide to Money

Written by a working mum of two, *Wonder Woman's Guide to Money* addresses the plight of the modern day 'Wonder Woman' and helps her shift the way she feels about money forever by providing the tools, strategies and insight to take control of her financial future

- are leaving investing and financial planning decisions to their husbands and partners.

*Wonder Woman's Guide to Money* explores women's lack of confidence regarding money, historical precedents and the gender roles that influence this mindset and offers practical and tangible advice for overcoming them.

The book covers everything you need to know from managing your cash flow and paying off credit card debt, through to more complex topics such as investing, superannuation, mortgages, life insurance and estate planning. ☺

...  
**N**atasha Janssens arrived in Australia as an 18-year-old refugee, alone, without any money or knowledge of Australia's financial system. Today she is an award-winning financial planner, accountant, mortgage broker and founder of Women with Cents.

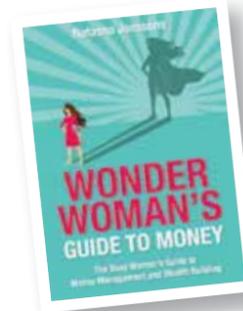
a career, she is still in charge of running the household and taking care of the kids," says Ms Janssens.

And she speaks from experience.

Ms Janssens has a career, runs the household and is the primary caregiver of her children, while still being held to outdated standards about her appearance and role in society.

Moreover, despite being the primary household spenders, research has found that women tend to shy away from money matters and tend to have less financial confidence than men.

In fact, a recent UBS study found that Millennial women - more than any other generation



**All you pay is commission on monies collected...from 11%.**

*(less your 10% IPA member discount.)*

**PRUSHKA**  
 FAST DEBT RECOVERY  
 NO RECOVERY - NO CHARGE

**10% discount against all commission rates and for products...for you and your clients, because Prushka is a proud IPA Partner.**

Call us **now** to register to receive your discount.  
**Free call: 1800 641 617**



Contact: Client Services Team  
 clientservices@prushka.com.au  
 www.prushka.com.au  
 Across Australia

# The Small Business Roadshow – Rolling out the regulators

Getting one or two regulators to present at the same event is a coup. But when all key regulators, plus representatives from the various small business ombudsmen's offices, get together to do so, it's a miracle. That's what took place around the country from late April to early June, in a series of presentations to IPA members under the banner of 'Sharing Knowledge'.

Senior representatives from the Australian Securities and Investments Commission (ASIC), Australian Competition and Consumer Commission (ACCC), Fair Work Ombudsman (FWO), Australian Taxation Office (ATO) and Australian Small Business and Family Enterprise Ombudsman (ASBFEO) visited capital cities across Australia to impart information and the current status of regulations impacting the profession.

Public Accountant attended the session held at the IPA's head office in Melbourne to see what the regulators had to say. The Melbourne event also included a presentation from

the Victorian Small Business Commission (VSBC).

ASIC was represented by Joe Zubcic, senior manager small business compliance and deterrence. Mr Zubcic told the audience of the importance of small business and the resources that small businesses could access via the ASIC website. Its small business hub provides useful information on starting, running and closing a business, along with information on the ASIC MoneySmart program.

Mr Zubcic also discussed the steps that ASIC takes to protect small business and its focus on illegal phoenix activity. He then detailed ASIC's current initiatives and the Australian Financial Complaints Authority, which is the new external financial complaints resolution scheme that commenced on 1 November 2018. He concluded with information on the ASIC Industry Funding Model that was introduced by the federal government.

Kristie Piniuta, director small business and industry codes for ACCC, gave a very good overview of the role of the organisation,

including ACCC's compliance and enforcement policy priorities for 2019. This includes a considerable focus on the franchise sector, unfair contract terms and retail electricity pricing.

Ms Piniuta also provided tips for small business to ward off the many scams in the market, which include overpayment, false billing, malware and phishing scams. Again, there is a raft of useful resources on the ACCC website for small business to access, including free online training programs.

The ATO was represented by acting assistant commissioner, small business, Justine Williams, who explained the numerous ways that the ATO supports small business and the important role that accountants play. Ms Williams said that one function of the ATO is "to administer a tax and super system that builds trust and confidence where viable small businesses can thrive".

Ms Williams' presentation also covered the ATO's digital services, how they are tackling the black economy and the goal of creating a level playing field. Among the

tools available on the ATO website are the Business Performance Check tool, checklist for taking on an employee, and self-help tools to understand and meet obligations. There is also an after-hours call back service and live web chat available.

Chris Smith, assistant director stakeholder strategy and engagement for the FWO, outlined the role of the Ombudsman's office: to promote harmonious, productive and co-operative workplace relations; and to ensure compliance with Australian workplace laws.

The small business showcase portal on the FWO site provides

online information about the hiring, paying and management of employees, keeping the right records, binding employment, leave and other requests, and a small business checklist. A small business can register an account on the FWO site to be kept up to date with any legislative changes.

The FWO also provides a number of free tools, a small business helpline and online courses.

The VSBC was represented by its senior manager corporate and engagement services, Kim Hargest, who advised attendees of their dispute resolution services and in particular of

the low-cost, independent mediation service available for small businesses.

Ms Hargest explained the 'ABC of the VSBC':

- Any business dispute – 35 per cent resolved before mediation;
- But if not resolved, low-cost option (mediation) at \$195 per party, with 87 per cent of mediations successful; and
- Client satisfaction – 95 per cent satisfaction rate.

The VSBC has also developed a small business mental health strategic plan.

Dr Craig Latham from the ASBFEO described the organisation as an independent agency with the power to demand information and explanations, with their key functions of advocacy and assistance. He identified a number of challenges facing the small business sector.

Recent ASBFEO activity in support of small business has included the review of payment times, the Affordable Capital for SME Growth Inquiry, and a lending guide relating to fintechs.

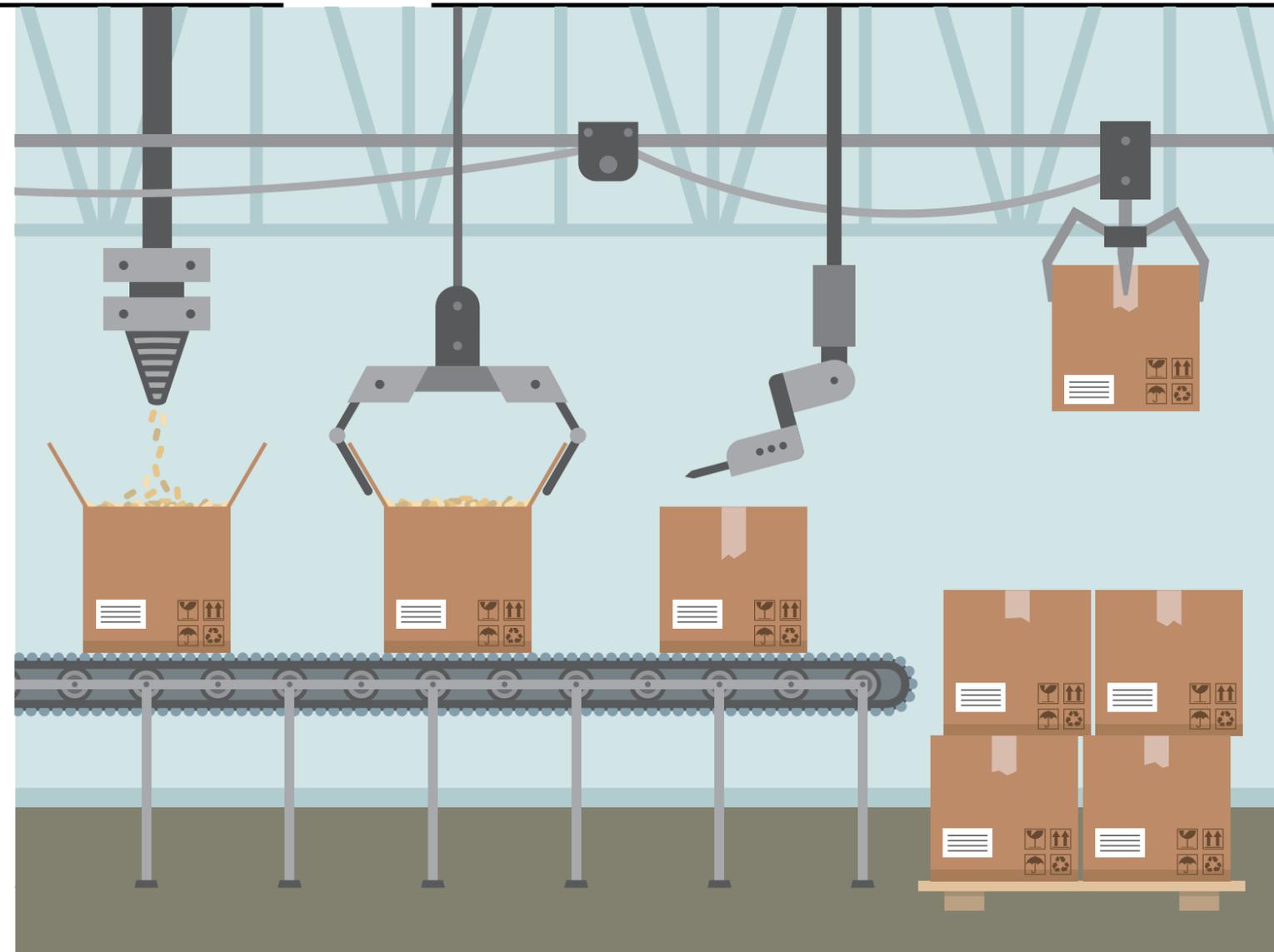
ASBFEO has also been vocal about the ATO's enforcement of debt recovery. Its recommendations include:

- ATO to cease any early debt recovery action when the small business is before AAT;
- Garnishee notices must have mandated external oversight and approval (such as through the court system) before an order is made; and
- Use of alternative forms of security.
  - Dr Latham also expressed the important role of accountants and how they can help small business:
- Advise SMEs how to get finance fit;
- Review business structure and help to manage cash flow;
- Build business strategies and set goals;
- Help to manage debt and deal with unpaid invoices;
- Explain benefits of getting digital (reduced costs and errors);
- Embrace innovation via software and apps; and
- Educate SMEs on changes in regulation – e.g. single touch payroll.

Overall, the presentations were well received by members, with Q&A time made available.

For more detail on the services and tools available for small business, check out the following sites:

- ASIC – [www.asic.gov.au](http://www.asic.gov.au)
- ACCC – [www.accc.gov.au/smallbusiness](http://www.accc.gov.au/smallbusiness)
- ATO – [www.ato.gov.au/Business/Starting-your-own-business/Supporting-your-small-business/](http://www.ato.gov.au/Business/Starting-your-own-business/Supporting-your-small-business/)
- FWO – [www.fairwork.gov.au/smallbizshowcase](http://www.fairwork.gov.au/smallbizshowcase) and [www.fairwork.gov.au](http://www.fairwork.gov.au)
- VSBC – [www.vsbv.vic.gov.au](http://www.vsbv.vic.gov.au)
- ASBFEO – [www.asbfco.gov.au](http://www.asbfco.gov.au) 





## Public Accountant news in brief



### IPA issues tax time warning: Lodge early at your peril

With the end of the financial year fast approaching, some taxpayers are looking to lodge their 2019 tax returns in July. The Institute of Public Accountants (IPA) understands that there is a strong incentive to lodge early, but warns that there are two added complexities at play this year.

Firstly, Parliament needs to pass the announced increase in the low and middle

income offset, which applies for the 2019 income year. Secondly, single touch payroll has come into operation.

"Our advice is that unless you have certainty and completeness around the information used to finalise your return, we are encouraging all taxpayers to rethink lodging returns early this year," said IPA general manager of technical policy Tony Greco.

## "Accountants should be able to provide advice in relation to self-managed superannuation funds"



### IPA welcomes review into retirement income sector

Treasurer Josh Frydenberg has announced that he will commission a review into the retirement income system, which will include the interfaces of superannuation, government pensions and taxation.



### ATO sets sights on ironing out false laundry claims

The Australian Taxation Office has said it will target false clothing and laundry work-related expense claims this tax time.

Although many Australians can claim clothing and laundry expenses, it is unlikely that half of all taxpayers are required to wear uniforms, protective clothing or occupation-specific clothing to earn their income, said assistant commissioner Karen Foat.

"You must have spent the money you are claiming on buying or cleaning eligible clothes," Ms Foat said.



### IPA and CMA Sri Lanka sign mutual recognition agreement

The Institute of Public Accountants has announced the signing of a mutual recognition agreement with the Institute of Certified Management Accountants of Sri Lanka (CMA Sri Lanka) commencing 24 May 2019.

CMA Sri Lanka is a full member body of the International Federation of Accountants, the South Asian Federation of Accountants and the Confederation of Asian and Pacific Accountants.

"We will provide CMA Sri Lanka technical and educational resources to build their capacity and professional development," said IPA Group chief executive Andrew Conway.

### Accountants should be able to provide SMSF advice, says IPA CEO

The incoming Morrison government must focus on increasing access to financial advice for all Australians, said the CEO of the Institute of Public Accountants, Andrew Conway.

Although many Australians do turn to their accountants for assistance with SMSF-related issues, under the rules that came into force mid-2016, accountants can no longer help with establishing and winding up an SMSF unless they are licensed.

"Accountants should be able to provide advice in relation to self-managed superannuation funds," Mr Conway said.

"We need to review the way financial advice is provided in this country and ensure the playing field is level."



### Government needs to broaden the base and lift the rate of GST

The Morrison government should broaden the base and lift the rate of GST, said the CEO of the Institute of Public Accountants.

"When you look at the rising costs of the Australian population versus the forecast growth in government revenues, Australia simply can't afford itself," cautioned IPA CEO Andrew Conway.

The IPA is advocating for a discussion on broadening the base and lifting the rate of GST, Mr Conway said.



### Small business craves certainty across Australia and the UK

In the second edition of the One Voice podcast, IPA Group CEO Andrew Conway and SME commentator Phillip Tarrant discuss Australia's recent federal election, the UK's Brexit turmoil and their effects on small business.

Mr Conway explains the policies that emerged during the recent election campaign in Australia and the expectations the IPA has of the new Morrison government.

He also discusses the commonalities between accountants in the UK and Australia, encountered most recently during the IPA's study tour in the UK, and explains the benefits of sharing clients across jurisdictions.

\*Find us on iTunes

### News in numbers

■ RBA cuts official interest rate to a record low **1 per cent**

■ **1,000** workers in regional Queensland, NSW and Victoria back paid more than **\$580,000** following Fair Work scrutiny

■ Fair Work Commission lifts national minimum wage by **3 per cent** to **\$19.49** per hour

■ Victorian government announces **\$250 million** Business Growth Fund for small and medium enterprises

■ Red tape costing Australian small businesses more than **\$20.16 billion** per year

■ ATO and the TPB have recouped over **\$40 million** in outstanding tax bills and more than **1,000** SMSF late returns

■ Rise in use of independent advisers and independent advisory firms forecast at **73 per cent** and **93 per cent**, respectively

# Learning from each other – policy making around the world

In the last few years, the IPA has spent a lot of time and energy on the subject of boosting small business productivity

by Vicki Stylianou



**Vicki Stylianou,** executive general manager – advocacy and technical, IPA

This has resulted in research and policy recommendations contained in the two editions of the Small Business White Paper produced by the IPA-Deakin SME Research Centre. However, our work is never finished as we continue to consider small business productivity. Part of this process is to explore what happens in other countries, especially since internationalisation and globalisation play such a critical part in increasing productivity, which in turn supports living standards.

With this in mind and as part of my role as a senior vice president with the International Council for Small Business (ICSB), I was privileged to attend the World Congress of the ICSB in June, held in Cairo, Egypt. The theme was ‘The Future of Entrepreneurship’.

It was an expansive program with topics covering the future of SMEs (small to medium

enterprises), policies and entrepreneurship ecosystems, the future of skills, SMEs in a global and digital economy, the future of work, building entrepreneurship ecosystems in emerging markets, decent job creation, empowering women entrepreneurs to lead the global economy, global perspectives in MSME development, internationalisation of SMEs, entrepreneurial finance and many more topics across eight concurrent streams.

I had the additional privilege of being chair and moderator for the plenary session on the future of entrepreneurship and SME policies. The panellists came from the OECD, International Finance Corporation (IFC) (part of the World Bank), Small Business Administration (SBA) of the US and the Egyptian Arab Land Bank.

The future of entrepreneurship will be shaped by many factors, including SME policies, both at the formal, national/domestic level and at the international level.

So, what policies should we be looking at if we want to achieve the best possible future for entrepreneurship and SMEs?

The SBA has numerous policies and programs that enable small business and SMEs to obtain affordable finance through government funded programs; it has experts in the field providing advice and mentoring; and it actively listens to the issues and concerns of small business operators. The SBA is generally considered the role model of small business agencies.

The work of the OECD is relied upon by many people across the world, including the IPA and the IPA-Deakin SME Research Centre. It’s interesting to consider how the OECD develops policies that can apply across borders. It does this by identifying trends and commonalities and looks at how these influence the future. OECD people engage daily with stakeholders; they take a whole of government approach to implementation; assess



and utilise local ecosystems, including considering the culture and embark on appropriate training; they use technology and incentives; and also utilise and consider informal systems.

The OECD has recently released its latest report on SMEs and productivity, which is based on an extensive review of the academic and policy literature, and focuses on the role of managerial skills, workforce skills and business linkages in enhancing SME productivity. The report presents estimates on productivity gaps by firm size to show that, while SMEs are on average less productive than large companies, productivity gaps change significantly depending on the specific size and sector of the firm. It also provides an overview on the main firm-level drivers of SME productivity that directly affect SME performance, such as managerial and workforce skills, the use of ICT, R&D investments etc.

The IFC is the largest global development institution focused exclusively on the private sector in developing countries. It has made over US\$365 billion in loans to SMEs. The IFC places major weight on corporate governance, which can be scaled for the size of the business and is being highlighted in more and more countries worldwide. Efficiency, reputation and capital are all major elements that the IFC takes into consideration. The IFC carries out projects in Egypt, as well as other countries in the Middle East. Egypt has a dynamic, fast-growing economy with a population of nearly 100 million people and has benefited from IFC projects.

During the course of the World Congress we heard about SME policies from other countries that are worthy of consideration and could be reasonably easily adapted for the Australian environment. Some of the most innovative came from the US and South Korea. In fact, the Koreans

referred to the US *Regulatory Flexibility Act*, which has been emulated in various countries. Australia is also considered an exemplar of SME policies by international organisations.

South Korean policy makers have suggested that it is time to shift from government-led to market-led policies through deregulation and providing healthy ecosystems; that policies shift from being domestic-oriented to global-oriented through active utilisation of online and offline platforms; individual firm targeted policies should shift to co-operatives targeted through joint projects; shifting from a production factors-based approach to entrepreneurship-based approach; and shifting from traditional manufacturing firms focus to innovative start-ups and ventures.

Another interesting proposal was to shift from a positive-type regulatory system to a negative-type regulatory system. This

means allowing everything except what is specifically prohibited. For this to work it needs more complexity than what is initially apparent.

Like Australia and the policy recommendations in the Small Business White Paper, South Korean policy makers are also recommending that productivity needs to be increased. The same areas are being highlighted – promoting competition, avoiding high corporate income tax rates, reducing barriers to trade and inward foreign direct investment, improving human capital through education, promoting international co-operation on innovation and, more broadly, increasing government investment in R&D.

Also like Australia, South Korean policy makers are recommending expanding financing opportunities and tax incentives, improving the image of entrepreneurship, improving the infrastructure for start-ups in regional areas, reducing the risk of failure by providing a second chance for entrepreneurs. They have also offered innovative proposals that are worthy of consideration, including introducing a ‘start-up leave’ system, which allows entrepreneurs to return to employment in the case of failure.

It is apparent that similar issues affecting small business and SMEs occur across most countries with similar policy responses being considered. The research bears this out, especially from international organisations such as the OECD. We believe it is critical to continue exchanging ideas and information with colleagues and researchers from a variety of other countries so that we can grow and prosper collectively.

## Celebrating MSME Day19

Thursday, 27 June is World MSME Day, celebrating the existence of millions of micro and small to medium enterprises around the world

This year, the Institute of Public Accountants (IPA) led the cheer, calling on all SMEs to celebrate, while our very own Vicki Stylianou, executive general manager of advocacy and technical, attended the panel session for the MSME Day held at the United Nations' (UN) General Assembly Chamber in New York.

Ms Stylianou was privileged to be a part of a vocal crowd of micro, small and medium-sized enterprise (MSME) advocates and to hear the unique and inspiring stories of entrepreneurs from around the world.

On the home front, IPA chief executive Andrew Conway praised the critical role small business plays not just in Australia but across the globe.

"With some 75 per cent of our members servicing small business or being small businesses in their own right, it is certainly worthy of celebration," Mr Conway said.

"Our Australian Small Business White Paper aims to create better policy outcomes to strengthen small business productivity, which is essential for our economic prosperity and protection of the living standards we currently enjoy."

### Financing the SDGs

According to the data provided by the International Council for Small Business (ICSB), formal and informal MSMEs make up over 90 per cent of all firms and account on average for 60-70 per cent of total employment and 50 per cent of GDP.

The General Assembly of the United Nations, recognising the importance of these enterprises, decided to declare 27 June the Micro, Small and Medium-sized Enterprises Day to raise public awareness of their contribution to sustainable development.

On the third MSME Day marked in June this year, the UN clarified that this vital day is not only dedicated to raising awareness of the need for greater investment into small and mid-sized businesses, it is also a celebration of the gigantic contribution smaller companies make to the global economy.

The UN cautioned that while smaller businesses can be agile in response to a changing world, their size also makes them vulnerable.

"Access to finance is a primary obstacle. Identifying international market opportunities and navigating trade-related

procedures can be harder for small businesses than for their larger competitors," a spokesperson for the UN said.

In order to enhance the access to finance for SMEs across key sectors of national economies, efforts in this direction have been made an important element of implementation of the Sustainable Development Goals.

This collection of 17 global goals, set by the UN General Assembly in 2015 for the year 2030, recognise that access to economic and business opportunities for SMEs can improve social welfare and boost national productivity.

"Micro, small and medium-sized businesses are key to creating the 600 million new jobs needed by 2030 to keep pace with the growth of the world's working-age population"

- Amina J Mohammed, United Nations Deputy Secretary General, *SME Competitiveness Outlook 2019*



## INTRODUCING IPA BOOKS+ PAYROLL Manage wages, leave, super and Single Touch Payroll for just \$5/month



Payroll software that's perfect for any business.

IPA Books+ Payroll is affordable payroll software that makes compliance easy for you and your clients. Manage payroll and STP compliance for unlimited employees for just \$5 a month!



### Single Touch Payroll sorted

IPA Books+ Payroll is Single Touch Payroll compliant and ATO certified, so your clients can meet STP reporting requirements quickly and easily. All they need to do is simply process a pay run as normal, generate their STP report and send it directly to the ATO! They can even review their submission, keep track of ATO messages and access past submissions.



### Includes unlimited employees

Your clients can easily manage wages, leave, super and Single Touch Payroll for an unlimited number of staff for just \$5/month.

Unlike other payroll solutions, they won't need to pay by the number of employees they have – saving them money as their business grows.

To start recommending IPA Books+ Payroll to your clients, sign up as a IPA Cloud Advisor.  
[ipabooksplus.com/payroll](http://ipabooksplus.com/payroll)



## The latest on the IPA's advocacy work

The IPA has raised its concerns in response to the Annual Taxation Determinations consultation paper, it has expressed its opposition to IAS 37 amendments and has revealed its stance on the government's overdue review of the TPB and TASA

### Annual Taxation Determinations

The IPA raises one main concern in response to the Annual Taxation Determinations consultation paper.

A Taxation Determination is a public ruling and therefore legally binding advice from the Australian Taxation Office (ATO), protecting you from having to pay a tax shortfall if the advice is incorrect and you then make a mistake. The same doesn't apply to material published on the ATO website, considered to be guidance only and not binding on the ATO. It does not have the protections of a public ruling.

The IPA maintains that as we operate under a self-assessment environment, it is important for taxpayers to be protected by a public ruling if tax determinations are to be replaced with website information.

Notwithstanding where the commissioner is just updating a number due to movements in a relevant consumer price index, the

IPA does not foresee any issues with this type of information being placed on the ATO website instead of a tax determination. This is on the proviso that if the information is incorrect and taxpayers have relied on this data, then penalties would not apply.

The IPA says that as website data can be changed without leaving an audit trail, there needs to be a way to show historic changes to any updated figures in case of disputes. The updating of website information is not subject to a robust process compared with the compilation of a tax determination and so there must be full transparency over the data posted on the ATO website in case information changes.

### Onerous contracts - cost of fulfilling a contract

The IPA does not believe it is necessary to amend IAS 37 Provisions, Contingent Liabilities and Contingent Assets as a result of IAS 11 Construction Contracts being superseded by IFRS



Revenue from Contracts with Customers. The IPA maintains that the principles in IAS 37 for onerous contracts should continue to be applied unchanged.

The IPA says this in a submission to the UK-based International Accounting Standards Board commenting on Exposure Draft ED 2018/2 Onerous Contracts - Costs of Fulfilling a Contract - Proposed amendments to IAS 37.

The IPA is of the view that the proposed definition of costs relating directly to the fulfilment including allocated costs will result in the capture as onerous contracts economically and commercially viable customer contracts.

In its submission, the IPA states: "There are commercial considerations that support the non-recovery of allocated costs

and pricing on a marginal or variable cost basis. The proposed approach is neither economically nor commercially appropriate."

The IPA considers that onerous contracts should be determined, and provisions established based on the variable costs (i.e. the incremental cost approach in (BC16(a)) incurred to fulfil a contract.

### Review of the Tax Practitioners Board

The IPA maintains that the government's review of the effectiveness of the Tax Practitioners Board (TPB) and the operation of the *Tax Agents Services Act 2009* (TASA) is long overdue, given that it has been almost 10 years since the TASA was introduced. The review is also timely and relevant following the recent financial services royal



commission, which scrutinised the effectiveness of Australia's financial regulators.

In its submission to the review, the IPA says while the TPB has done its best within its financial and resourcing constraints to administer the TASA, there is scope for improvement, particularly due to the changing nature of the tax profession in terms of demographic and technological advancement and the heavy reliance by taxpayers on tax agent and BAS agent services.

An overarching objective of the TASA and the governance framework of the TPB is to ensure that services provided by tax practitioners are provided to the public in accordance with appropriate standards of professional and ethical conduct, which in turn

protects consumers of such services (i.e. the taxpayer).

The IPA believes that to achieve this primary objective, aspects of the TPB warranting further consideration by the government include:

- Increased compliance activities: TPB compliance activities to identify rogue agents, unregistered agents and promoters of tax schemes are inadequate due to financial and resourcing constraints. Therefore, the IPA recommends that the government evaluate and consider additional funding to the TPB to improve tax practitioner compliance, which will ultimately benefit the community.
- Imposition of civil penalties: TASA's current provisions allow civil penalties for certain breaches of the law by tax

practitioners. However, to enforce these penalties, an application must be made to the Federal Court with collection and enforcement within the remit of the Commissioner of Taxation. The IPA believes that this red tape is unnecessary, inhibits the TPB's effectiveness, and that the government should consider granting the TPB additional powers for the imposition, enforcement and collection of civil penalties.

- Perceived independence issue: Notwithstanding that the TPB is an independent regulator of tax practitioners, that independence is tarnished by the perception that the TPB is connected to, or part of, the Australian Taxation Office (ATO). This is because ATO facilities and staff are shared with the TPB (including enforcement and collection of penalties), and that the TPB budget is part of the ATO's overall funding budget. The IPA believes that the government should address this perceived independence issue by considering how to separate the TPB from the ATO.

- Registration fee increases: The government recently increased the three-year registration fee for tax agents from \$500 to \$675 commencing 1 July 2018. As part of the fee review, the "non-business" category of tax agent was scrapped (which previously only imposed a \$250 fee). Notwithstanding that the objective of the increase was to provide additional funding to the TPB, this comes at a cost to tax practitioners and may result in costs being passed on to consumers. Older practitioners close to retirement may also withdraw their registration as rising costs no longer makes it financially viable to practice.

The IPA suggests that the government review the fee structure and reinstate the non-business category for this cohort of tax practitioners who pose minimal compliance risk.

The removal of the "non-business" category has been viewed by many as an increase by stealth. The justification was that the TPB needed to self-fund any additional revenue from the tax practitioner community by adopting a user pay principle. Given the consumer benefits and protections afforded by TASA, it is arguable that some of the funding should be sourced directly from government rather than from tax practitioners.

Smaller practitioners have commented on the high costs associated with maintaining a TASA registration, which can include professional membership fees, indemnity insurance, CPD costs as well as renewal fees. Rising regulatory costs may hinder new entrants or squeeze existing tax practitioners out of the market. Over time this could lead to market concentration and reduced competition.

Professional indemnity insurance: The TPB requires that tax practitioners maintain a minimum level of professional indemnity insurance cover; the amount subject to turnover of the practitioner's business. The minimum cover amount does not necessarily align with the requirements for those who are members of professional associations/accounting bodies (which typically requires cover of at least \$2 million). The IPA believes that it would be in the government's interest to consider whether the minimum cover currently imposed should be aligned with that imposed by professional associations. ☺



The federal government will spend a total of \$17 billion on 72 of the Lockheed Martin F-35 Joint Strike Fighter aircraft

2%

Government is committed to grow the Defence budget to 2 per cent of GDP by 2020–21

# Accountants on the FRONTLINE

Australia's defence industry is gaining strength fast. The exciting new developments planned under the government's \$200 billion investment are seeing accountants adopt a leadership role in this money-rich industry

by Maja Garaca Djurdjevic



We mostly associate defence with fighter jets, battleships and ammunition, but rarely do our imaginations turn to accountants and the behind the scenes number-crunching tasks they perform.

Accountants are in fact paramount to ensuring that defence funding is properly managed. And we are talking about billions of dollars in funding each year. But apart from taking charge and guaranteeing a company's financial efficiency, accountants working in defence are also answerable for risk management. And this is a crucial task, especially when the stakes are measured in billions.

In revealing its budget in April, the government announced it will allocate

Defence \$38.7 billion in 2019-20 and \$175.8 billion to 2022-23.

This funding boost coincides with the government's 2016 Defence White Paper, the Defence Export Strategy and supporting 2018 Defence Industrial Capability Plan, each of which details the government's long-term vision to build and develop a robust, resilient and internationally competitive Australian defence industry base.

The government has forecast that by 2028, Australia will require a larger and more capable defence industry that has the finest skills, expertise and technology. But Australia's defence capability is also exemplified by its industry participation in major global defence projects. It is an integral part of the global US\$1 trillion F-35 Joint Strike Fighter program, the Boeing

E-7A Wedgetail AEW/C, Boxer combat reconnaissance vehicle and the BAE Systems Type 26 Global Combat Ship.

Australia's immersion in international projects and forecast advances on the local front require number-crunchers and risk mitigators, meaning that the role and value of accountants is sure to follow this upward trajectory. The momentous task for accountants is to make sure the \$200 billion is spent wisely, in a way that not only stimulates innovation, but delivers strong results.

In order to bring you direct information from the heart of this dynamic environment, we interviewed accountants working with BAE Systems, Boeing and Lockheed Martin. These are their answers, in their entirety.

## Lena Johnston

business manager, commercial derivative aircraft,  
Boeing Defence Australia

### Q. Please describe a day in the life of an accountant in defence?

In my current role I am the business manager for Boeing Defence Australia's commercial derivative aircraft business, which includes all programs associated with the E-7 Wedgetail Airborne Early Warning & Control and P-8 Poseidon aircraft. The business has a large Australian defence presence and Boeing recently secured a new E-7 contract with the UK Ministry of Defence, which will expand our presence into the UK.

My scope of work covers the financial and contractual oversight for our executing programs, risk management and commercial management of our new business opportunities. A large part of my role involves working closely with our Australian Defence Force partners as well as internal Boeing stakeholders.

I think one of the biggest differences between my role and that of a peer at a smaller accounting practice would be that there is a lot of variety in my daily tasking. No two days are ever the same. I could be supporting the on-time delivery of our contracts or dealing with program execution one day, and developing the pricing for new business opportunities the next.

### Q. How long have you been working in this space? Is it something you wanted to do from an early age or perhaps a chance opportunity?

I was always fascinated with money and budgets from a young age. One of my favourite childhood tools was actually an old petty cash tin. I loved keeping track of my pocket money and the feeling

of achievement when I saved up enough money to buy something. I guess even way back then I knew that I would end up having a career in accounting.

My first job was in a chartered accountant's office as the office junior. One of my daily jobs was to make coffee and tea for the accountants. This was a defining moment in my life and from that point on, there was never any doubt that I wanted to be a part of the industry.

The transition to the defence industry happened more by chance. I was extremely lucky to get my first role as an assistant accountant with Boeing back in 2004 and it sparked my passion for the Australian defence industry. The Boeing presence in Australia is largely defence-focused, much to the surprise of most people who only know the commercial aircraft manufacturing part of our business.

Once I started working at Boeing, I knew I was where I was meant to be. I developed a deep connection to the brand and to the importance of the work we do in keeping our country and our service men and women safe while they protect our Australian way of life.

### Q. How important is an accountant's role in defence spending and risk management?

I view any accounting role in the defence industry as being paramount to ensuring that defence funding is properly managed. We are often responsible for hundreds of millions of dollars of defence funding each year and we have an obligation to ensure we appropriately manage those funds.

The key to this is ensuring professional transparency and

"Once I started working at Boeing, I knew I was where I was meant to be. I developed a deep connection to the brand and to the importance of the work we do in keeping our country and our service men and women safe"

maintaining adherence to best practices at all times. From a risk management perspective, Boeing's accountants are the financial risk gatekeepers of each project they support. They generally have first visibility into the performance and trends within our programs, and for that reason they are experts in both finance efficiency and business insight, and are value integrators.

They help to manage enterprise risk, deliver insights that drive better results, and protect Boeing's interests. And they don't just produce data; they have a seat at every table and provide crucial input to every decision.

### Q. I imagine that you have access to a lot of up to date tech that frees you up for more of an advisory role. Would that be correct?

Boeing Defence Australia is a large project-based organisation, which means we adhere to the Defence earned value management processes. We have access to some pretty advanced program scheduling and financial performance measurement systems, which allows us to move beyond just generating data to delivering real value by providing our stakeholders with strategic advice and guidance.

My role has changed over the years, but I would have to say that my role is largely advisory now. I currently spend the majority of my time managing enterprise risk and ensuring the company's interests are protected.

### Q. What is most satisfying about working in this industry?

For me personally, I would have to say the feeling of being part of the bigger picture. I get a great sense of satisfaction knowing that the work we do here at Boeing helps to provide cutting-edge technology and aircraft to Defence that is used to help protect Australia.

Working within the defence industry also creates opportunities to develop connections with people you may not meet in your everyday life. There is an incredible depth of diversity within the defence industry.

Being able to participate in community involvement activities is another perk. Boeing regularly supports initiatives that benefit many groups, including veterans, who are a crucial part of our team. We were a major supporter of last year's Invictus Games and we regularly get to give back by volunteering at a range of events and activities.



^ The P-8A Poseidon is an important part of Australia's future maritime patrol and response strategy. The Royal Australian Air Force is on contract to acquire 12 P-8A Poseidons for delivery through 2022.



“The projects that deliver these multi-year major programs do have significant risks. It is fundamental to manage risk by quantifying it and costing mitigation options that allow choices and help the programs to succeed”

## Paul Berryman

finance director, ASC Shipbuilding,  
BAE Systems Australia

### Q. Please describe a day in the life of an accountant in defence?

The difference is mostly on the spectrum of focus. In private practice, especially smaller ones, there is generally a wide customer base across many industry areas with really diverse spread of needs while the defence industry generally has large, multi-year programs for a single customer, the Department of Defence.

My role focuses on the following for the ASC Shipbuilding business:

- Financial controls and governance;
- Cost accountability and control;

- Cash forecasting;
- Project estimates and whole-of-life cost model; and
- Team leadership and development.

### Q. How long have you been working in this space?

I have worked in the defence industry for 16 years. I left professional services in 2003.

### Q. Is it something you wanted to do from an early age or perhaps a chance opportunity?

A bit of both. As a kid, I loved model building, especially warships!



^ The Australian government awarded a contract worth \$35 billion to BAE Systems to construct nine Hunter Class frigates. Construction will begin in 2020 at the Osborne Shipyard in South Australia, creating more than 4,000 jobs.

When I was relocating back to Adelaide from Sydney, I wanted to be with a company that was headquartered in Adelaide, which is a rarity! BAE Systems fit the bill.

### Q. How important is an accountant's role in defence spending and risk management?

Very important.

The Department of Defence needs to consider the whole-of-life cost and not just the purchase price of new equipment.

With a long-term construction contract, it is important to accurately forecast how much it will take to finish the work and how that compares to the budget.

The projects that deliver these multi-year major programs do have significant risks. It is fundamental to manage risk by quantifying it and costing mitigation options that allow choices and help the programs to succeed.

### Q. I imagine that you have access to a lot of up to date tech that frees you up for more of an advisory role. Would that be correct?

Where I am now, I do, and it is great to be working at the very start of a major program where there is a clear case for an investment in up-to-date systems. This allows me to call on the accounting team's full range of skills and expertise. However, it can be quite a different story when you are working on a program that is in its final stages because it's difficult to justify the investment when you're winding down.

### Q. What is most satisfying about working in this industry?

I just love it when I have the chance to walk through a ship to see its progress as it's being built. I am proud of the importance of the industry to Australia's defence. Seeing progress on a major program like building the Air Warfare Destroyer, and being able to participate in the launch ceremony, is extremely motivating.

### Q. You mention air warfare capability, how excited are you about Australia's future in the defence industry?

It's a really exciting and hugely important time for the defence industry, bipartisan support for development of sovereign capability is great for the industry. We are in a period of recapitalisation and enormous investment is going into new capabilities that will position the Australian Defence Force for the future.

This is not only about protecting our shores and our national interests but also about how we can contribute internationally.



## Ritesh Pattni

finance senior manager for  
Asia-Pacific and India,  
Lockheed Martin

### Q. Please describe a day in the life of an accountant in defence?

Apart from the fact that accountants in the defence industry work with large numbers, there are certain nuances that you will not find in smaller accounting practices.

It comes down to understanding the contract structure and customer requirements. Our customer is the Australian government, while the smaller accounting practices are working for private enterprises.

### Q. How long have you been working in this role? Is it something you wanted to do from an early age or perhaps a chance opportunity?

I have been in this role for seven years now. I have always wanted to be in finance and wanted to start my career in audit/assurance services, which I did. I highly recommend this route as it provides a solid foundation. Defence was not an industry that I thought I would end up working in but has been the industry that has provided the most job satisfaction.

### Q. How important is an accountant's role in defence spending and risk management?

Very important. At the end of the day, if you peel back the layers, we are all working for the taxpayer. Accurate and timely reporting of costs is crucial. Ensuring compliance with government cost accounting standards is a key part of our role.

### Q. Would it be safe to say that automation has enabled accountants to adopt an advisory role? How does it impact your everyday tasks?

Absolutely, if I think about my first day as an accountant to how the same task gets done today, there is a vast difference. We get reports at the touch of a button and can now spend time analysing rather than preparing and collating. We therefore get more time to provide valuable input to the decision maker and act more as a business partner rather than a 'bean counter'.

### Q. What is most satisfying about working in this industry?

Access to emerging technologies. Large defence primes, such as Lockheed Martin Australia, focus on the latest technologies and continuous process improvements. It's also a great feeling knowing that "we serve those who serve the nation".

# NEURO-DIVERSITY

## *Embracing differences*

A diverse workplace is mostly thought of in the context of gender or ethnic division, however, in recent years the concept of neurodiversity has emerged as an area of growing interest for employers looking to diversify their workforce

by Maja Garaca Djurdjevic



**P**ut simply, neurodiversity is a concept where neurological differences are to be recognised and respected as any other human variation, similar to ethnicity, sexual orientation or gender. This means hiring and retaining talent with dyspraxia, dyslexia, ADHD, dyscalculia, autism, Tourette's syndrome, and other neurological variances.

The term neurodiversity is attributed to Australian social scientist Judy Singer, who first used it in her sociology honours thesis in the late 1990s.

For Andrew Eddy, founder and director of the Untapped Group,

neurodiversity represents the different ways of brain wiring.

Advocates for neurodiversity, such as Mr Eddy, reject the idea that it is a problem to be 'fixed', instead they believe that we are all neurologically diverse in some way.

But, while research into brain variances has shown that some of the common traits of neurodivergence (particularly autism) may clearly be seen as beneficial in the workplace, particularly in number crunching fields like accounting, statistics reveal that worldwide over 80 per cent of people with autism are unemployed or underemployed.

### Non-conventional

Autistic health advocate Kathy Isaacs clarifies that the issue is less about the availability of work opportunities than it is about the accessibility of them.

"The whole process of seeking and applying for jobs requires a very specific set of social skills that are far more innate for neurotypical people than neurodivergent. Interviews and HR selection processes are far more focused on who can sell themselves best than they are about who can actually do the job best," says Ms Isaacs.

Mr Eddy agrees. He explains that most of us are set up to deal with the neurotypicals. And, by definition,



**80**  
PER CENT

of people with autism  
are unemployed or  
underemployed





neurodivergent people just aren't conventional.

"When looking for an employee we look for someone who is bubbly and makes eye contact. The truth is that people with neurological differences don't have these traits, which makes it hard for them to take that first step and apply for a job," says Mr Eddy.

He explains that while eye contact is an important non-verbal communication behaviour that most of us use automatically in social interactions, it can be very stressful for people with neurodiversity.

"In order to effectively communicate with you, people with autism tend not to take that extra sensory input. They can then be perceived as non-trustworthy," Mr Eddy says.

He argues that implementing various workplace accommodations, flexibility in the way we interact with others, and acceptance of neurodiversity as a way of life, would allow a meaningful percentage of the neurodiverse population to become valuable members of our working community.

In an attempt to facilitate a link between neurodivergent talent and companies offering work experience, internships and employment opportunities, the Untapped Group is co-ordinating the development and promotion of the Neurodiversity Hub.

The Neurodiversity Hub is currently talking to a number of companies interested in tapping the neurodiverse talent pool.

Mr Eddy reveals that while interest does exist, most companies are not set up to accommodate people with neurological diversities.

Having helped multinational B2B IT services provider DXC Technology integrate neurodiversity into its workforce, he says that the process requires the participation of subject matter experts and spectrum consultants. Employers too must become more sensitive to individual needs.

"A lot of the trainees that come to DXC didn't have a whole lot of life skills, things like getting to work, eating well, financial literacy and various other skills," he explains, adding that this realisation led the team towards focusing on improving the employability of neurodivergent talent.

The Neurodiversity Hub has now partnered with several education institutions, including universities country-wide to increase the number of roles available to students with autism, anxiety, depression, post-traumatic stress disorder and other neurological differences.

It is also working on making job ads neurologically friendly.

"The stats show that a man looking at a job ad with say 10 items on it, will apply for the job if he fulfils three of the 10 items. A woman may not apply unless she can do around eight, but a person with neurological differences will ignore the ad unless they meet all 10 requirements," Mr Eddy points out.

### Exclusion

The underlying issue is that, while physical disabilities and differences are better understood and more often able to be accommodated through a one-time environmental modification, most people don't know how to approach neurological talent.

According to Ms Isaacs, neurological differences usually have few external prompts, and require an ongoing series of adjustments that may appear trivial to neurotypical people.

"HR frequently take a very top down approach to doing things for employees with disabilities (meeting their minimum legal obligations) but there is not much interest in empowering people to thrive in their roles by educating managers or providing acceptable working conditions for those with invisible disabilities," she says.

**164k**  
AUSTRALIANS  
have autism,  
representing about  
1 in 150  
(ABS 2017)

The accommodations that make focused work possible for neurological talent could, however, be easily provided with adequate understanding and support.

But, Ms Isaac warns, there is very little understanding, either from HR or from managers, as to the actual needs of neurodivergent people.

"It's much easier to build a wheelchair ramp than it is to remember daily not to touch someone without warning, or to avoid figurative language for a literal thinker," Ms Isaacs says.

"Having your requests for necessary adjustments ignored means that people become very reluctant to press for workplace accommodations, or to disclose their neurological status at all."

This results in neurodiverse people desperately trying to hide their differences.

"Autistic people fear the consequences of disclosure and believe they are required to 'mask' constantly within the workplace," Ms Isaacs says. "The risks of disclosing your neurological status may well be higher than any benefits to be gained by better understanding of the source of your difference – there is a very great fear of 'making it worse'."

She warns that constant masking, and the tense neurological defences required to navigate the workplace without understanding or accommodations, is very likely to lead to burnout and a significant deterioration in mental health.



### Autism on employment

Answers provided by IT trainees in an autism employment program



#### Q. What sort of hardships have you faced in your search for employment?

■ The biggest challenge with finding employment was the interviews. I couldn't keep proper eye contact and when I spoke I was either unable to form a coherent sentence or unable to speak at all, I couldn't stand the process of being evaluated for a job and would often just try to put my mind somewhere else, which would then cause my attention span to drop. I suppose it came off as being disrespectful when these things would happen but it's really difficult to take your mind into a state of focus when you're already a nervous wreck.

■ I have faced difficulty in keeping up with my pile of emails from different employment agencies, due to me applying for a bunch of jobs per day. Sometimes I would check the email too late and miss out.

■ Lack of experience with paid work.

■ Age because employees usually want to hire younger people because they don't have as much pay as older people.

#### Q. Would you say that business owners tend to be insensitive or have a lack of understanding for people with neurological differences?

■ I would say that business owners try their best to be sensitive to people with neurological differences but lack the knowledge on how to approach issues with them at times, it does however vary from a case-to-case basis.

■ I'd say that business owners do have a lack of understanding as with most people, however that is slowly changing. In the past people used to look down on the neurologically impaired, but now it seems more people are aware of the abilities of such people and what they can contribute to the workplace.

### Breaking stereotypes

Many myths and stereotypes exist about neurodiverse talent, particularly people with autism. These include a perception of dependence or reduced personal competence.

Ms Isaacs warns that the freedom of self-knowledge and self-understanding that can come with diagnosis is tempered by the ignorance of others who have never needed to understand.

Some of the common traits of neurodivergent (particularly autistic) people are well known, and may clearly be seen as beneficial particularly in fields like accounting, Ms Isaacs believes.

"People with autism are known as intensely focused workers, with high levels of conscientiousness and attention to detail, and are generally uninterested in office politics or in socialising during work hours. The level of passion and hyperfocus that they can harness when fully involved in a business project goes beyond what is considered 'normal'," she says.

More valuable in business, however, is their tendency to have very strong intellectual curiosity and a thirst for problem solving. Also, having unconventional brains, neurological talent tends to approach ideas, concepts and problems from a unique perspective.

"This ability to see things 'outside the box' may lead to business ideas and solutions that are highly creative, and would possibly not have occurred to a NT mind," Ms Isaacs states.

In fact, in March 2014, *The Wall Street Journal* reported that 60 per cent of unemployed or underemployed autistic people in the US have cognitive abilities at or above those of neurotypical people. A 2016 study by the National Autistic Society in the UK arrived at a similar conclusion.

Moreover, JPMorgan Chase completed a side-by-side comparison of a neurodiverse team with a neurotypical team, which indicated that the neurodiverse team achieved 48 per cent higher productivity.

"Some of these people are quite brilliant," says Mr Eddy.

**41**  
PER CENT  
The employment rate for people with autism, the lowest labour force participation



“The level of passion and hyperfocus that they can harness when fully involved in a business project goes beyond what is considered ‘normal’”

recruiting methods, neurodivergent people may get into entry level positions but then find it hard to get promoted due to the differences in communication style.

“It is not enough to change HR practices – we also need to train managers in neurodiversity acceptance and understanding, enable support networks to develop and grow, and stop considering neurotypical-style communication to be a fundamental work skill,” Ms Isaacs says.

Within a specific workplace, changes like reducing sensory stimuli can be helpful, she clarifies. This includes allowing neurologically different talent to use quieter spaces to work, rather than large open spaces; swapping out bright lights for gentler lighting, and allowing personal protective measures such as wearing sunglasses, ear plugs or a hat at desks.

“But these are only small changes in a much larger need,” Ms Isaacs says. “More and more, research is showing that autistic people do not have deficits in communication, so much as a different style of communication, which is absolutely functional within an autistic framework. Written communication is often processed more easily, and information transfer is valued over social transaction.”

She reiterates that people with neurological differences frequently have deep, rather than broad, skill sets.

“Acknowledging that a team is made up of people who have different but complementary skills, and removing the necessity to pretend to be neurotypical, allows neurodivergent people to fill a niche where their skills are valued,” Ms Isaacs concludes. 🗨️

“Organisations currently operating autism employment programs often report benefits beyond the programs themselves, with the changes made to employment processes to better engage autistic individuals also leading to the greater recognition and use of the skills of all their workforce.”

### Probabilities

But, while some might consider accounting to be an obvious choice for a role that requires detailed, task-focused concentration, all stereotypically autistic qualities, the strong focus on networking, socialising and presenting a conventional, often conservative, and professional image for clients means that the industry can be quite intolerant of difference.

And while industry and government roles may be generally more accepting of neurological differences because there is less pressure to impress external clients, Ms Isaacs reveals that there are still many challenges of cross-neurotype communication between colleagues and with management.

So, what needs to change?

“We need to change recruitment practices so that they judge a potential employee on their ability to do the work, not on their ability to self-promote,” says Ms Isaacs.

She warns that even when organisations have accessible

→ He reveals that the Neurodiversity Hub has helped employ 98 neurologically talented people over the last four years in the areas of cyber security, software testing and data services.

“We had trainees here doing software testing and they were 30 per cent more productive. We had another group in the cyber area, normally it would take them five years to get to level two analyst, but our neurologically talented trainees were writing level two reports in five months,” Mr Eddy says.

He advises companies that find that they have an area of work that may be repetitive or require a lot of attention to detail, to consider people with autism or other neurological differences.

“They are very loyal, they are very hardworking and diligent,” Mr Eddy says.

Andrew Davis, Autism CRC CEO, reiterates that autistic individuals have strengths and skills that might contribute to a more productive and innovative workplace.

“Autism CRC’s vision is to see autistic people empowered to discover and use their diverse strengths and interests. Obtaining meaningful employment and economic participation enables greater quality of life, health and wellbeing,” he says.

## How to minimise the risk of a client audit

Client tax audits are costly in terms of stress, time and money for all parties. Richard Puffe, Thomson Reuters senior product manager, tax and accounting, ANZ, and fellow product manager Shane Paxton, outline how to avoid them



Last year, the Australian Taxation Office (ATO) was clear as to what area it deemed ripe for a clampdown: work-related expenses.

It stated: “The tax gap for individuals, not in business, is primarily driven by incorrectly claimed work-related expenses. Common mistakes include claiming deductions where there is no connection to income, claims for private expenses, or no records to show that an expense was incurred.”

The ATO added that “seven out of 10 returns randomly selected for review had one or more errors”.

Mr Paxton said such a spotlight leads to the risk of increased client audits, the

cost of which takes a toll on all concerned in terms of time, stress and expense.

“I was speaking to an accountant last year, and he was stressed because his client was being audited,” he said.

“The client was angry at him because they didn’t know that was coming. And the accountant didn’t charge for the rework needed to get through the audit, so it was time and expense for the tax agent as well.”

Mr Puffe said it’s a situation tax accountants want to avoid as they are exposing not only their client but their own business to unwanted ATO attention. He added that the vast majority of tax accountants do the right thing, but they are only as effective as the data

they have. So, having the right information, and the right tax technology, is essential.

One key piece of technology is an Onvio Tax Audit Alert. Based on occupation, gender and taxable income, it compares work-related deductions against ATO statistics, and acts as a warning if someone is claiming above the ATO average.

Mr Puffe said this market-first alert is more than just about minimising the risk of an audit and maximising refunds, but giving tax accountants an opening to have those “difficult conversations about substantiation”.

It also puts tax accountants on a more even playing field with the ATO in terms of data-matching capabilities and technological sophistication.

“They [ATO] have got many different ways of comparing your data against others. Now tax accountants can do this too. It gives tax accountants a way in to ask those difficult questions,” he said.

From sheep shearers and salespeople to travel agents and tradies, most occupations are covered in the technology’s scope.

“It’s quite simple. Let’s say I’m doing your tax return and you want to claim work-related expenses of 5,000 kilometres in your car; three computers; an overseas trip; and some training,” Mr Puffe said.

“What a tax audit alert will do is take into account your occupation, income range against the data of motor vehicle use, self-education, travel and other work-related expenses. Matching this criteria, it may indicate 3,000 people have claimed this expense and the average is \$1,600. So, if you are claiming \$3,300, that’s a red flag.”

Mr Puffe said it was having data they could share with their clients that was priceless, and the ability to say, “the likelihood of you having an audit is much higher ... are you telling me the truth?”

He said it also gave both parties peace of mind and “empowers them [customers] to become the expert”. Mr Puffe said it also encouraged growth in terms of a client list.

“Clients are telling their friends ‘hey, this is what my accountant did, and it’s the first time they told me about substantiation or about tax audits. I’d highly recommend them,’” he said. 🗨️

Find out more about how to minimise your risk with our cloud-based software and Tax Audit Alert, visit [Tax.thomsonreuters.com.au/Onvio](https://www.tax.thomsonreuters.com.au/Onvio).

# 21st century telescreens

## THE GOOD, THE BAD AND THE UGLY

For better or worse, social media floods our lives. It can be used to spread innovative ideas or to predict epidemics, but it also serves as a powerful tool for organisations and political leaders to target and diffuse specific opinions

by Maja Garaca Djurdjevic



Earlier this year, during the inauguration of Jair Bolsonaro, Brazil's new far-right president was greeted by supporters chanting "Facebook!" and "WhatsApp!".

The reason for this? Well, Mr Bolsonaro's secret election weapon was his WhatsApp account.

According to WhatsApp, over 120 million Brazilians use its service. However, in Brazil the tool is used less as a private messaging app and more as a means to share news and misinformation.

According to Brazilian media, during the campaign, Bolsonaro's followers shared videos and memes disseminating deceiving, often racist and gender discriminatory content about his political rivals and minority groups to millions of citizens. Conspiracy theories too were circulated among Brazilians, eventually resulting in Mr Bolsonaro's presidential win.

This was just another in a long line of examples demonstrating how social media has changed the way political campaigns

are run and how individuals around the world interact with their elected officials.

And although social media has made elected officials more accountable and accessible to voters, the ability to publish profile-raising content and disseminate it to millions in a matter of seconds has put citizens at the mercy of subliminal advertising.

Based on a study into psychological targeting, conducted by Stanford Graduate School of Business professor Michal Kosinski, one 'like' on Facebook can reveal our skin colour, political affiliation and sexual orientation. This means that our social media activities can indicate our unique psychological characteristics, which can then be used by governments or marketers to tailor their communication.

The power of social media to mobilise a crowd first became evident during Barack Obama's 2008 election campaign, says Lubna Alam, associate professor of information systems at the Deakin Business School.

### Driving agenda

"Since then, politicians have jumped on this bandwagon," says Ms Alam.

She explains that among the reasons behind the political use of social media is the medium's direct link to the people, which allows politicians to receive early feedback on their policies and intentions, enabling them to tweak their campaign in 'real time'.

"It's the immediacy and the reach of the platform, and its viral nature. All these things work really well for the politicians," explains Ms Alam.

According to the *Digital 2019 Report*, produced jointly by social media management platform Hootsuite and creative agency We Are Social, 18 million Australians (72 per cent of the population as a whole) are now actively using social media – a sizeable jump from the 66 per cent recorded just a year earlier.

Roger Christie, the managing director of Propel Group Australia, explains that today, more than ever, politicians have



access to information that allows them to personalise their messages.

“The motivation behind what politicians are doing hasn’t changed, they would do the same thing at rallies and in print ads. Their aim is to try and tap into things that they believe are most likely to lead a consumer to start believing the views they want them to believe,” Mr Christie says.

“The only thing that has changed is the ability of political parties to access information that allows them to personalise and shape those messages to people in a way that will likely get the best response.”

This means that the sophistication with which politicians can try to shape or influence our opinions is much greater than ever before.

This is best illustrated by US President Donald Trump, whose use of social media to speak directly to the people bypasses traditional broadcasting channels.

But besides offering an arena for personalised psychographic persuasion, social media reaches a wider audience than traditional demographic advertising, clarifies Dr William Yeoh, director at the IBM Centre of Excellence in Business Analytics at Deakin University.

“Many people spend more time on social media than traditional media e.g. newspaper, billboard, TV and radio,” says Dr Yeoh.

“It bridges the communication gap and creates fan groups.”

An added plus is that, compared with the cost of advertising on television, radio or in print media, digital advertising is very affordable. This makes social media a powerful, cost-effective way for politicians to ‘directly’ engage with the public.

### Social media’s dark side

The dissemination of ‘fake news’, particularly witnessed during Mr Bolsonaro’s political campaign, portrayed how easy it is to spread offensive, fabricated and discriminatory remarks via social networks and use them to twist the public perception of ‘truth’.

Dr Yeoh admits that social media can be dangerous.

An example of the sinister side of social media, he says, was the recent bombings disaster in Sri Lanka, during which the government shut off its residents’ access to online networks and messaging systems, including Facebook, WhatsApp, YouTube, Snapchat and Viber. The official government concern was that “false news reports were spreading through social media”.

“One of the problems is that the information you see on these platforms is not verified by any authoritative source. So, obviously, ‘fake news’ is one of the biggest concerns,” Ms Alam says.

The Cambridge Analytica data scandal was another poignant example of how social media can be used to manipulate people into believing in agenda-driven propaganda.

In early 2018, it was revealed that Cambridge Analytica had harvested the personal data of millions of people’s Facebook profiles without their consent and used it for political advertising purposes, specifically to target British voters during the Brexit referendum.

It has been described as a watershed moment in the public understanding of personal data and triggered calls for tighter regulation of tech companies’ use of data.

But Mr Christie says that when talking about the dangers of social media, we need to separate the platforms from the people who use them.

“Someone who has a tool that is incredibly powerful and if that person has good intentions, that tool can be used for good things. If someone has poor or bad intentions, then obviously the reverse will happen,” he warns.

“What social media has done is it has provided that greater level of sophistication and unfortunately if that falls into the hands of someone who will abuse or manipulate that power, that’s where it becomes a problem.”

This intensifies our need to critically analyse and filter information before we ingest it.

At the recent G20 meeting in Osaka, Mr Morrison secured an unprecedented agreement from the G20 nations to take on social media companies that fail to act against terrorist and violent content being posted and shared.

“The problems are there, so it is important when we see things on social media, we need to have some sort of mechanism to verify the information and before forming a view, we need to look at more media and news forms, not just the social side,” advises Ms Alam.

### Becoming a discerning consumer

In order to restrict the negative aspects of social media, the European Commission has implemented data protection reform across the European Union with the aim to make Europe ‘fit for the digital age’.

The General Data Protection Regulation came into effect on 25 May 2018, returning to people control of a valuable asset of the modern age: their personal data.

“That’s a positive move,” says Ms Alam.

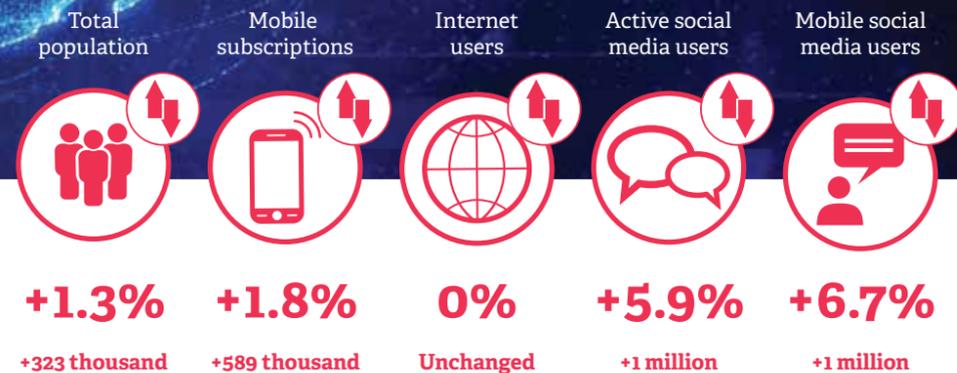
“The platforms now have the obligation to tell their users how their data is being stored, who else will have access to their data and how it will be shared for advertising purposes.”

Ms Alam explains that essentially, it all comes down to regulation.

“If we can regulate these platforms better and if we can impede on these platforms to do better for the community,

### Annual digital growth

The year-on-year change in key statistical indicators



Sources: Population: United nations; US Census bureau. Mobile: GSMA Intelligence. Internet: Internetworldstats; ITU; World Bank; CIA World factbook; Eurostat; Local government bodies and regulatory authorities; Mideastmedia.org; Reports in reputable media. Social media: Platforms’ self-serve advertising tools; Press releases; and investors earnings announcements; Arab social media report; Techrasa; Niki Aghael; Rose.RU. (All latest available data in January 2019).

and ensure that profit-maximisation is not the forefront of their agenda, we can achieve better conditions.”

However, consumers also have to become more conscious of the type of information they are making available for public consumption.

“Users need to be aware of what can and what can’t be accessed by a third party. If I fall into a custom audience and that audience has parameters, it lives in a specific area and has a certain level of education, advertisers can use that to target me with information,” Mr Christie explained.

While social media will never disappear, he predicts that as technological capabilities expand, our awareness of social networks will evolve.

“If you look at cyber security as an example, it is not as if questions surrounding cyber security are ever entirely answered, it is not as if these

loopholes are ever filled, it’s just that there is an ongoing struggle or an ongoing battle to try and keep up,” Mr Christie explains.

### Home turf

During the most recent Australia federal election, we were blasted by campaign ads on social media. We watched Prime Minister Scott Morrison cook up a curry for Mother’s Day, and had front row seats as Bill Shorten read a book to primary school children.

However, Ms Alam points out that Australian politicians do not use social media to the same extent as their US comrades.

She suggests that perhaps this is because local politicians receive a more favourable portrayal in traditional media than say Mr Trump in the US.

“Australian media is not as one sided.

Politicians here don’t see social media as the only way to communicate, but in saying that, I think some parties use social media better than others,” Ms Alam admits.

But social media did help the director of Griffith University’s Big Data and Smart Analytics lab correctly predict Scott Morrison’s win.

While all the polls were tilting towards a Labor win, Professor Bela Stantic knew otherwise.

In the five days before election night, he analysed 2 million social media comments, from more than half a million unique accounts, and predicted that Mr Morrison would remain PM.

“I rely on many algorithms that I developed at Griffith University, related to the sentiment, target, the text in short messages, and other algorithms such as clustering, to derive at my predictions,” Professor Stantic explained.

Asked whether polling agencies should turn to social media for future predictions, Professor Stantic says ‘yes’.

“I think companies need to rely on big data analytics, along with the traditional methods, but in the long term, particularly as the number of landlines are reduced, traditional methods will die,” he cautions.

### Wrap-up

While social media allows us to express our opinions in written or visual form, and creates a feeling of connectivity in an increasingly disconnected world, data experts urge us to approach it with anxious apprehension.

“Knowledge is power,” Mr Christie reminds.

He reiterates that by understanding the online media environment, people will be more equipped to respond to and prevent any form of manipulation.

“My key message is, don’t make a decision on something you don’t understand. The best way to offset risk is to understand how an environment works, what that means for you and your stakeholders,” Mr Christie concludes. 📌



## Choosing numbers OVER ART

Martine Hoosen took out the Bookkeeper of the Year award at this year's Australian Accounting Awards. She has over 20 years of experience as a bookkeeper and over 25 years of experience running a successful business. But she actually came close to choosing art over numbers

by Maja Garaca Djurdjevic



It might have been the logical choice, but Ms Hoosen didn't always plan to be a bookkeeper. She ran a sign writing company with her first husband in her early 20s, which propelled her into bookkeeping.

But, when that marriage didn't work out, Ms Hoosen found herself at a crossroads with two young boys to care for.

In her early 20s, Ms Hoosen did several MYOB courses and was quite the wiz at digitising bookkeeping processes. So, following her divorce, which also saw her part ways with her ex-husband's business, Ms Hoosen began to teach others the ins and outs of MYOB.

"After about a year of helping people out, setting them up and customising things, I thought this could actually be a business," says Ms Hoosen.

But besides helping others progress their businesses, Ms Hoosen was finding her feet. She was now a single mum and in a desperate need to secure her future.

Initially, she advised businesses as a sole practitioner, before launching Bookwiz in her late 20s.

But prior to making the decision to pursue a career in bookkeeping, Ms Hoosen actually considered launching a nursery design business.

"I actually did art on the side. I had the idea about a nursery

design business. It was really quite accidental that I ended up doing what I am doing, and it was purely from people coming to me and asking me to set up their MYOB," she says.

"Then GST came along and it really tipped a few people into moving towards using solutions such as MYOB. Suddenly I was really inundated with people approaching me, so I knew this was the way to go."

And with Bookwiz's rapid growth, her art fell by the wayside.

"I actually took part in art exhibitions when I was younger," Ms Hoosen recalls, before revealing her early days as a potential musician.



“I read music from the age of six. And I have heard that reading music works from the same side of the brain as numbers.”

**Small business focus**

Today, Bookwiz employs about 10 people. Six years ago, it also became a franchise.

As for Ms Hoosen, she is happily married and a mother to three boys and one girl.

Her new main goal is to help small businesses succeed.

“I am now working with the Small

Business Development Corporation, a local government initiative in Western Australia, where we run free business workshops for small business, all based around understanding cash flow and budgeting, GST, BAS, bookkeeping and recordkeeping,” explains Ms Hoosen.

She is also involved with the Franchise Council of Australia and has been on its WA committee for three years.

“I have a very strong focus on helping business owners actually understand the numbers,”

Ms Hoosen says, before explaining that for her bookkeeping has always been more than just plugging numbers into a program.

“It’s really about helping business owners understand the numbers and what they mean. How to look at those numbers and work out the ratios, how to understand where they should be benchmarking things such as wage and purchases costs,” she clarifies.

Having spent years interacting daily with small businesses, Ms Hoosen has arrived at the conclusion that many small business owners don’t appreciate change.

“That’s what I see and what I feel. They think ‘oh well, I’ve been doing this for so long, I’ll just keep doing what I have always done,’” she says.

So, Ms Hoosen’s mission is to present the endless possibilities of digitised solutions to such owners.

“I get really excited when I go out to businesses, and often I’m approached by the accountant whose client is stuck on desktop and refuses to go to the cloud and use document management solutions,” Ms Hoosen explains.

“I present to them how much time and money they can save. We had one client in particular, that had an almost full-time outsourced bookkeeper. By implementing an automation software, that job was cut to a couple of days a week, and it’s saving the business thousands of dollars a year.”

**Motherhood v business**

Sitting comfortably in her office today, with several awards under her belt, including the most recent Bookkeeper of the Year award and Bookkeeping Firm of the Year, Ms Hoosen also recalls her beginnings and the hardships she faced as a woman in business.

“It was hard. Following my separation, I didn’t have any support. My family were in New Zealand. I also had no financial support from

anybody. I remember going through a phase where we literally lived on rice and sausages, because that was all I could afford,” recalls Ms Hoosen.

“I was determined not to be a welfare parent. I didn’t want to set that example for my kids, so it was a sort of no-brainer for me to work for myself. Especially coming out of a marriage where I was left with very little, I thought to myself I don’t ever want to be in that situation again.”

Back then, she explains, childcare was a real problem. There were no rebates or support for working parents. And because Ms Hoosen could not report a steady income, her only choice was to pay the full fee upfront.

But apart from her struggles as a single mother, Ms Hoosen also recalls the stigma surrounding bookkeepers 20 years ago.

“The relationship with accountants and business owners that we have

now wasn’t around back then. There wasn’t a lot of respect at the time,” she says.

Today, she admits things have changed. “I have worked really hard to nurture that relationship. But in saying that, we have gone in this almost full circle where we were miles apart 20 years ago and have since slowly come together,” Ms Hoosen says.

She believes that with the changing nature of the industry, accountants and bookkeepers’ services will come closer together as they both morph into the advisory space.

As for juggling family life and business, Ms Hoosen admits to needing a day entirely for herself, at least once in a while for down time.

“I still have two primary school children, as well as having the two older sons. They are all very active with sport. We have multiple nights of

training, we have swimming, we have tennis, netball and soccer. So, there is literally no day off,” she says.

“And both my husband and I work full-time, so it’s a juggle. I know there are some people that are critical of that. People have said that I’m missing out on doing things with the kids, and bestowed on me that mother guilt that a lot of working women get. But I also see my career as a great example for the kids,” Ms Hoosen says.

She admits that she owes her endurance to her mother, who was always a hard worker.

“If I wasn’t working, I wouldn’t be happy, and if I am not happy, my kids wouldn’t be getting the best of me. It does get hectic some days, and you do go through days where you want to pull a blanket over your head. But at the same time, I wouldn’t have it any other way,” Ms Hoosen concludes.



Read this online at [publicaccountant.com.au](http://publicaccountant.com.au)



# TAX ON THE SLOPES

## 5-6 SEPT NSW & ACT JINDABYNE TAX RETREAT

Join resident tax guru **Peter Adams FIPA FFA** and guest presenter **Mark Pizzacalla FIPA FFA Partner, Business Services BDO** as both canvas not only the current traps and pitfalls inherent in the prevailing taxation framework but also those on the horizon. You will not only receive the necessary taxation armour to shield your clients against an often inclement taxation climate but also experience the beautiful snow-capped peaks and quaint surrounds of the Snowy Mountains region.

The one and a half day program will serve to rid you of the winter blues with warm hospitality, an engaging and rigorous technical program and an overall unforgettable experience.

To find out more or to register, visit:  
[PUBLICACCOUNTANTS.ORG.AU/2019TAXONTHESLOPES](http://PUBLICACCOUNTANTS.ORG.AU/2019TAXONTHESLOPES)



# *I am* GOOD ENOUGH

Carolyn Geyer was brought up on the notion that it's the husband's job to provide for his family, and a wife's duty to raise the children and run the household. But having initially devoted herself entirely to her family, she decided to break the self-imposed shackles at 36 and pursue a career. Today, she is a woman with a big job and a big family

by Maja Garaca Djurdjevic



**A**m I intelligent or not?" Ms Geyer asked herself at the age of 36.

An education in accounting was something she secretly aspired to, but her upbringing steered her towards a life of home duties and family.

Ms Geyer's self-doubt often stood in her way like a gatekeeper.

And although her childhood was joyous, filled with the kind of space and freedom you can only find in a remote country town, Ms Geyer grew up in a time when it was common for girls to be told that their place is in the home.

She was taught to aspire to marriage and motherhood, rather than an education.

"I was raised as the only girl among three brothers. My parents were beautiful parents, I had a great and fantastic childhood. But I was brought up to believe that reaching year 12 was

a really good accomplishment for a girl," says Ms Geyer.

Back then, country girls followed a well-trodden path.

"You work in a shop for a couple of years, you get married, have children, care for the house, while the husband earns the money, and everything is as it should be," she says.

And that is precisely what Ms Geyer did. She had three children in the space of three-and-a-half years, and ran the household while her husband pursued his career.

"I only ever worked little part-time jobs, doing peoples ironing, housework, delivered pamphlets," she recalls.

## Leaving your comfort zone

But at the age of 36, Ms Geyer found herself wanting more. Having moved to Melbourne with her husband and their

young family, Ms Geyer was ready for a full-time job.

So she began packing boxes in a factory at Coles Myer. But the long hours and strenuous work conditions would eventually push Ms Geyer to dream of an office role.

"I was very grateful for the job. It paid for the kids sporting activities. But I was standing there in the cold in the winter and the stinking hot in the summer and looking over at the people just across from me who worked in admin," Ms Geyer remembers.

"They were warm in the winter and cool in summer."

But her daydreams were often rudely interrupted by self-doubt, and she began to wonder whether she was intelligent.

In order to solve her dilemma, Ms Geyer mustered the courage and enrolled in a few Vocational Education and Training (VET) subjects.





Inspired by her father, who got his accounting qualification following the war, Ms Geyer decided to give numbers a go.

But her new life wouldn't be without its setbacks.

"I failed everything in the first term. I could not figure out how on my bank statement it said credit, but in accounting terms when you put money in your account it says debit. I couldn't reconcile that at all," she says.

Then the penny dropped.

"I ended up a full grade above everyone else from there," Ms Geyer says.

Having overcome one hurdle, Ms Geyer's thirst for an education grew and soon she enrolled in a part-time degree at RMIT University in Melbourne.

"I was astounded to be accepted there," she admits.

However, a couple of years into the degree, Ms Geyer made the decision to shelve her dreams and spend her nights with her family.

"My husband was in the police force and in the army reserves at the time. I couldn't guarantee that he was going to be home for the children. It got too hard for me. I couldn't meet my requirements and I couldn't commit to group work. I couldn't put the kids aside," explains Ms Geyer.

In the meantime, Coles Myer transferred Ms Geyer to the admin department and soon a part-time development opportunity popped up within the company.

"If you are deemed to be good for the company's future development, they pay for your education. So, I



Read this online at  
[publicaccountant.com.au](http://publicaccountant.com.au)

applied for that through Monash University, and I was accepted."

Ms Geyer proceeded to finish a Master of Practising Accounting, but during her studies she received the unpleasant news that she was being made redundant.

### Never too late

But losing her job and feeling discontented in subsequent roles didn't set her back. Instead, Ms Geyer found her inner strength and launched her own business.

"I started tiny. My friend from across the road and her husband ran a cabinet making business, so I set up a table and a computer in their factory office. I sent out letters everywhere, trying to get some clients," she says.

As a next step in her self-development, Ms Geyer became a licensed tax agent.

And a few years later, in February 2009 and at the age of 53, she bought into a slightly bigger small practice.

"I sat in that practice and thought 'how hard can this be?' Then I worked out it was," she laughs.

"I worked very long hours and eventually I decided to seek some business guidance. For 18 months I regularly had a cup of coffee with a friend of mine who is an astute businessman."

From there Ms Geyer purchased another three small practices, and merged all four into one successful, small business-focused accountancy firm, Geyer Accountants.

"There are 12 of us now. We have this beautiful building that I purchased last year. It was an old restaurant and we gutted it and rebuilt it," she says.

"My team is crucially important to me today and I would support any of them if they should want to continue their education."

### A woman in a 'man's world'

Ms Geyer explains that being a woman in business comes with

daughter-in-law who, having grown up in a business-orientated family, juggles her home, children, job and a social life with ease.

"I look at her and I am in absolute awe of how she juggles her high-level work. She has two children, a third on the way, and she manages to get to the gym three or four times a week, and keep herself healthy," she says.

"She is a hero of mine. I think it takes a lot of work to do what she does. It takes a lot of self-discipline and commitment. But I've come to realise that how you bring up your daughters has a lot to do with it."

That awareness has influenced her parenting style.

"I have brought up my daughter to be a strong individual and to do whatever makes her happy. And she has done that," Ms Geyer adds.

She advises women who are contemplating going into businesses to set themselves clear goals.

"When you have been brought up to believe that business is not your role, it takes a little bit of time to come to terms with the fact that it actually is"

"Business is exciting and very rewarding if you can focus on your goals. It's all well and good to say that there are some things you excel at and some things that you don't. But, being good at certain things ultimately comes down to setting yourself the right goals," believes Ms Geyer.

"Every day when you get up, tell yourself this is how it is going to be today. Soon, that will become your norm."

She admits, however, to occasionally reverting to that old sense of unworthiness when surrounded by successful businessmen.

But, only for a few seconds.

"If you're surrounded by strong, intelligent men, the thought 'am I good enough' can cross your mind, but for me it now disappears just as fast as it came. I am good enough," Ms Geyer says with self-assertion and a laugh in her voice. 🗨️



## 2019 BALI TAX RETREAT 30 OCT – 1 NOV

In 2019, the IPA's annual Bali Tax Retreat will be held at the luxury 5-star Sofitel Nusa Dua Beachfront Resort.

Earn CPD hours, update your tax knowledge and spend time with your peers whilst relaxing and soaking up the local food and culture.

Be quick as registrations close on 2 October, but are likely to sell out before then!

Visit  
[PUBLICACCOUNTANTS.ORG.AU/BALI19](http://PUBLICACCOUNTANTS.ORG.AU/BALI19)  
or contact the WA Division on 08 9368 7600



THE IPA PRESENTS

# NATIONAL CONGRESS 2019

27 – 29 NOVEMBER

NATIONAL WINE CENTRE OF AUSTRALIA,  
ADELAIDE, SOUTH AUSTRALIA

Join an influential line up of experts and industry figures at the National Wine Centre of Australia in Adelaide, South Australia for the 2019 National Congress - IPA's leading accounting event.

Deepen your understanding of the key issues facing the profession through a stellar educational program, and take the opportunity to network with fellow members and technical experts to discuss what matters most to you and your industry.

Choose from a range of packages which include The Official Dinner and Pre Congress Workshops.

FOR MORE INFORMATION VISIT  
[PUBLICACCOUNTANTS.ORG.AU/NATIONALCONGRESS2019](http://PUBLICACCOUNTANTS.ORG.AU/NATIONALCONGRESS2019)  
OR EMAIL  
[NATIONAL.CONGRESS@PUBLICACCOUNTANTS.ORG.AU](mailto:NATIONAL.CONGRESS@PUBLICACCOUNTANTS.ORG.AU)

EVENT PARTNER



KNOWLEDGE PARTNER



54

### How businesses can drive growth in the health and medtech industries

The Asia-Pacific region is ageing more rapidly than any in history. And Grant Thornton's *International Business Report* reveals that business leaders in the region view ageing as the most significant threat to business over the next five years



56

### How to make the digital transition work for your firm

A few years ago, Xero released its *Digital or Die* report. It showed that digital firms were growing four times faster than the industry average. And while this is clearly something that many practices would jump at, making that transition is clearly easier said than done



58

### Insane small business ideas that actually worked!

Every so often a unique and brave business peeks over the horizon of madness and sees an opportunity. A curious business idea forms. Is it crazy or is it the best idea they've ever had?



60

### How I beat a cyber attack

It's safe to say that we are all guilty of taking cyber security lightly. And too often, we wait for something terrible to happen before we act. Jessica May, a recent cyber attack survivor, shares her tips to help you prepare for the worst

# ... Business building

A wrap of the latest strategies, insights and trends affecting your business, as well as your clients' or employer's businesses

# How businesses can drive growth in the health and medtech industries

Grant Thornton's *International Business Report* reveals that business leaders in the Asia-Pacific region view ageing as the largest threat to their businesses over the next five years

by Darrell Price, Shoichiro Mitani and Ian Pascoe



**Darrell Price,** principal and national head of health and aged care, Grant Thornton Australia



**Shoichiro Mitani,** partner, Grant Thornton Japan



**Ian Pascoe,** managing partner, Grant Thornton Thailand

It will reduce the supply of labour, increase wages and potentially reduce competitiveness. But it isn't all bad news. Health and medical technology (medtech) businesses are leading the way in identifying opportunities in this disruption.

**Ageing population tips the balance in APAC**  
Globally, nearly 2 billion people are expected to be over 60 by 2050 – triple the figure in 2000.

The OECD predicts that the world's old age support ratio (the number of people aged 20 to 64 per every person aged over 65) will reduce from 4.2 in 2008 to 2.1 by 2050.

In the APAC region, things are even more marked. In China, the old age support ratio will plummet from 7.9 to 2.4 by 2050.

Japan has the oldest population in the world, with 26.3 per cent of its citizens over 65, according to the World Health Organisation. The OECD predicts the country's old age support ratio will fall to 1.2 by 2050.

In Australia, the proportion of over 65s is expected to peak in

2026, with the cost of care rising through that period and around one in four of the population over 75 by 2025.

**What are the risks for the healthcare sector?**  
Ageing in APAC is putting pressure on health budgets throughout the region. The tax base to fund healthcare services for the elderly could disappear within 15 years.

In Singapore, for example, health inflation is running at 9.6 per cent, and health currently counts at 12.6 per cent of its entire spend.

Cost pressures and local country dynamics are forcing a lot of change in the APAC region's aged care. The Australian economy, for example, is at a crossroads in its aged healthcare provision.

The introduction of consumer directed care has transformed home care. Darrell Price, principal and national head of health and aged care at Grant Thornton Australia, explains, "Consumers have more choice of providers, services and pricing models and competition is mounting."

Meanwhile, as competition has increased, scrutiny of the quality of care has resulted in a royal commission putting the sector under pressure and investigating residential facilities, retirement living and in-home care. With squeezed margins, a lot of not-for-profit organisations are struggling.

Another challenge for the region is the supply of skilled workers to service expanding demand.

Shoichiro Mitani, partner at Grant Thornton Japan, says, "In Japan, a shortage of skilled workers has become a serious problem across a range of industries, and is particularly acute in aged care and medical services. Ageing populations and declining birth rates in other countries will also make it extremely difficult for Japan to recruit exceptional international workers."

Just as businesses across APAC face up to the potential challenges presented by this ageing population, it is clear there

are significant opportunities for businesses in the region.

**Broad opportunities for healthcare investors**  
Despite the headwinds, the opportunities for lending to the health and aged care industry in the region are broad. Almost half the participants at a recent Grant Thornton Banker's Boot Camp in Australia nominated the health and aged care sector as having the most robust prospects for future lending growth.

"There is increasing interest from the private equity sector in aged care. In the process of increasing competition and diversification of the market, private equity firms have realised there is money to be made in consolidations," says Mr Price.

Some investment opportunities are born out of new trends and new business models. As Mr Price explains, in the US, "university hospitals are creating hub and spoke facilities,

building little day surgeries and overnight stay surgeries providing basic services, with the main hospitals servicing more complex procedures".

"This trend is picking up in Australia, with private investors building day hospitals. Meanwhile, Japan is also looking at how they invest in these property developments with a view to bringing in specialists and tenants that can provide the service offering," he says.

As one of the countries facing the most serious ageing crises, Japan has naturally seen changes to traditional residential care models. Conventional retirement accommodation for older adults used to be less like homes and more like medical facilities, says Mr Mitani.

"Elderly residences with services are now more commonly being promoted. Although care staff are there during the day, attendant services and day care services are provided by external

providers and older adults can choose which services they sign-up for, depending on the care they need," he adds.

**The power of medtech to cut the cost of care**  
There are huge opportunities for businesses to harness technology in the delivery of health and aged-care services. Medtech is rapidly developing, with doctors providing consultations through distributor technologies in the home via mobile devices.

In Australia, it is largely bigger players that are investing in this technology, with Telstra a major investor in medtech, health services and robotics.

According to Mr Price, "A patient in one location can be operated on 1,000 kilometres away using robotic operating tools with localised nursing support."

Wearable devices and related technology are being used to monitor blood glucose, blood pressure and temperature in real

time and provide early indicators of problems.

ASEAN countries – Thailand in particular – are electronic health and medtech hotspots.

Ian Pascoe, managing partner of Grant Thornton Thailand, says, "It is a stand-out sector in terms of investment, with huge opportunities between software firms and medical health groups. In countries such as Indonesia, Vietnam and Thailand, proper medical records are sparse ...

"Some companies, even those unrelated to the medical sector, are seeking to partner with non-governmental organisations to fund the development of e-health records for medical companies."

**Unlocking growth through cross-region collaboration**

Medtech isn't the only area where cross-region co-operation will be key to unlocking growth opportunities. APAC has an extraordinary capability for collaboration and sharing funds, skills and services.

Mr Price explains, "We're seeing Australian providers look to deliver services across Asia. And institutional investors from elsewhere are looking to invest in the Australian market to learn what we do and how we do it, with the view to exporting these ideas back to other countries."

**Seize the opportunities**  
With APAC's ageing population increasing, health and medtech businesses are leading the way in providing cutting-edge solutions to the ageing crisis. This challenge is not limited to APAC and the rest of the world is watching.

How the region approaches caring for the elderly and rebalancing its economies will inform other regions and sectors. The one certainty is that demand will only grow, creating rich opportunities for disruptors. 📌



# How to make the digital transition work for your firm

A few years ago, Xero released its *Digital or Die* report. It showed that digital firms were growing four times faster than the industry average. And while this is clearly something that many practices would jump at, making that transition is clearly easier said than done

by Luis Sanchez



**Luis Sanchez,**  
general manager Australia,  
Receipt Bank

## Why now is the time

In today's digital age, going digital is no longer an option. It's a necessity.

According to Xero research, 45 per cent of advisers believe practices need to go digital to survive, yet 18 per cent of firm-based accountants still work on paper ledgers. More than three-quarters of firm-based accountants still sometimes use spreadsheets. Clearly something has to change.

The first step is recognising what digital really means for your clients in 2019. It doesn't just require moving online. You need to go mobile.

In 2018, a report by Comscore found that mobile represents 65 per cent of digital media time, while the desktop is fast becoming a 'secondary touchpoint'. Eight in 10 email users access their email accounts from their mobile devices, and more than 50 per cent of people immediately pick up and start using their smartphones when waking up each morning.

This 'always-on' culture means that many business owners are working on their commutes and

in the back of Ubers from their mobiles, sending emails, sending Slack messages to the team, accessing sales data, networking through LinkedIn or even analysing their sales forecasts. Our expectations for instant connection and entertainment extends to business, and a demand for easily accessible, digital data.

Even if your clients use more traditional methods of communication, digitisation provides the freedom to be nomadic and the benefits of real-time bookkeeping data. We no longer need to be chained to a fixed work desk or sort through paperwork. Everything can now be accessed online.

## Moving your numbers online

Providing a good service is about making your clients' numbers work for them. If you're going digital, those numbers need to be brought into the now. How do you get the data from your clients' receipts and get it online?

During a recent webinar, we asked our attendees how they collected their source documents:

- In-person, for example driving to the office to pick up shoeboxes of receipts;
- Via email; or
- Through a portal or through an online document storage like Dropbox.

Seventy-one per cent responded with all of the above.

That means many accountants and bookkeepers are still spending hours collecting documents from their clients, then sorting through shoeboxes of paperwork. That's not to mention the inefficiency of multiple methods of data capture.

While it might seem like good customer service to provide a number of options, the reality is a slower service. Our research shows an average of 20 days pass after a client first receives a bill to when they send it to their bookkeeper for processing.

That's where using a mobile app can help. Our research shows that a client with an expense capture

app on their smartphone reduces this delay of 20 days to just five.

Your clients can snap photos of their receipts after work lunches and send it to you in real time. They no longer need to stuff it in their glove compartment and forget to send it to you, only to offer a bag of torn and faded receipts at the end of the year.

## Embracing the tech stack

A tech stack sounds complicated but it's really just putting everything in one application. These applications talk to each other in real time, eliminating data entry and the chances for duplications.

Once thought a 'nice-to-have', a tech stack is now an essential foundation to automate your repetitive tasks, augment your team and enhance your existing resources.

Designing a tech stack isn't as complicated as it sounds. Imagine putting together a cake. You're at the kitchen table, and you have each component - the sponge,

filling, icing and some decorations - on hand. Designing a tech stack is the technical equivalent: a standardised process to produce the same result every time.

Start with the essentials - general ledger software, the sponge - then you can combine software products, the filling or icing, to work together in unison. When you design the stack thoughtfully, it can work as hard for you as another staff member.

## What technology functions do you need?

First, start with what you as a firm do day-in, day-out. Draw up a list of your current functions as an organisation. For instance, do you do the following?

- Processing invoices and receipts;
- Timekeeping and/or managing payroll;
- Managing workflows; or
- Reporting and analytics.

Match each of your functions with an application that will make your day-to-day life easier, adding in efficiencies on the way.

## How to onboard your clients

Once you design your stack, put it through its paces with a few weeks of internal testing. The cloud-based accounting apps are designed to integrate with one another seamlessly. If you get stuck or find inconsistencies in your data, you can always talk to a dedicated support team for help.

Once you're ready to roll it out with your clients, it's time to explain its benefits. This need is even greater if your clients are hesitant about new technology.

By starting with the direct benefits for your client, such as the increase in efficiency, visibility of data and security, you will be making their life easier. If your client still pushes back, it might be time to evaluate their potential impact on your efficiency.

Our research shows that the most successful firms are not afraid of turning away clients if they continuously resist new technology. Nor are they shy of making their technology a part of their value offering.

## What this means for you and your clients

**1. Easier expenses**  
As many as 22 per cent of small businesses underestimate their expenses, resulting in over-reporting profits and potentially even overpaying taxes. By offering tools like an expenses app to capture receipts straight away, you are helping to record all of their expenses, minimise their tax liability and make their lives easier.

## 2. Audit-proof and disaster-proof your businesses

Do you have a disaster recovery plan for you and your clients? Seven out of 10 businesses that experience a significant data loss will go out of business within a year. You owe it to your clients to ensure their businesses are protected from theft and damage.

By digitising your business, your clients' documents are securely stored and managed in a cloud-based system. This can be accessed by you and your clients remotely at any time, giving you both more visibility should anything go wrong.

## 3. Level up your meetings

Embracing automation and its time-saving benefits gives you the opportunity to spend more time face-to-face with your clients, talking about the bigger picture and helping them grow their business in a more rewarding, stress-free way.

Listen to your clients. Digitise, design a tech stack that suits your firm, then spend less time on manual data entry and more time adding value to your firm. 📌

# Insane small business ideas that actually worked!

Every so often a unique and brave business peeks over the horizon of madness and sees an opportunity. A curious business idea forms. Is it crazy or is it the best idea they've ever had?

These are their stories

by Alex Neighbour



**Alex Neighbour,** senior copywriter and content manager, Reckon

*"Don't underestimate a stupid idea" – Mat Carpenter*

## Ship Your Enemies Glitter

Sage words from the creator of 'Ship Your Enemies Glitter', a service that consists entirely of stuffing an envelope with glitter and mailing it to someone you despise. The stuff gets in every cranny, is impossible to clean and is generally considered a lame thing to do.

Australian Mat Carpenter, 23, founded this beacon of idiocy on New Year's Day as a drunken joke. It cost him 30 bucks to set it up while imbibing his favourite beverage. Mat then went on to focus on his impending hangover and promptly forgot about it.

Two days later while on holidays... BOOM. Reddit grabbed it by the horns and the thing went viral. Mat was beyond unprepared.

*"There were no envelopes, no glitter, nor had I even started writing the letter that was supposed to go inside. Just*

*to reinforce how badly I was prepared, I had set up the user to be redirected to a thank you page after making payment and that freaking 404'd because I didn't even set up the page."*

Yet another two days later after fielding thousands of orders, he sold the site for \$85,000 in pure profit. Apparently, he had no intention of building a weaponised glitter empire, unlike the shiny new owners. It continues its success today and has even spawned a bevy of rip offs. Go figure.

## Send Me To Heaven

This one is for the gullible, the exceptionally bored and the insultingly wealthy.

So, what do we have here? SMTH is a devious and highly popular app from Norwegian artist Petr Svarovsky – a clever man with no semblance of a conscience.

The app is essentially a very craven form of performance art or social trolling cleverly disguised as a throwing game.



*"The original idea was to have very expensive gadgets, which people in certain societies buy just to show off, and to get them to throw it"*

Essentially, Petr intentionally set out to convince as many people as humanly possible to shatter their own iPhones... It was a hit.

So, how do you play? You turn it on and peg your phone at the sky. No really, you just haphazardly toss your smartphone into the air, as high as you can, and the app will calculate its altitude.

Hopefully you catch it. Your phone's height is then scored and shared around the world on an ever-expanding leader board. I believe over 40 metres is the current world record.

Let's hear from some savvy and satisfied buyers out there

who are fully enjoying this lovely app:

*"I don't get it... I opened the app, threw my phone but it measured inaccurately. Then it made my phone land on concrete and it smashed to bits."*

And...  
*"Prepare for a lawsuit."*

## Eternal Reefs

A quirky little business that combines funeral services with coral reef regeneration. You heard me. The out-there organisation offers a very unique service for the recently bereaved, a combination of cremation and artificial reef building.

The idea is thus: Eternal Reefs is part of the Reef Ball family of companies. Reef Ball is a non-profit global organisation dedicated to creating and 'planting' hollow perforated concrete structures known as

'reef balls'. These reef balls in turn attract and nurture coral, fish, sponges and a range of aquatic life seeking shelter and structure.

As an original way of helping to fund their work, while offering an alternative to burial, you can sponsor a reef ball and have the ashes of your loved one incorporated into the structure and become part of a living world. Certainly not for everyone but many people, especially water lovers like scuba divers, seem quite drawn to the idea.

## Ship Foliage and Ship Snow, Yo!

We are talking two companies here actually but they were both birthed by the same married couple, the irrepressible team of original thinkers, Kyle and Jess Waring. Started as a bit of fun, their first business 'Ship Snow, Yo!' set out as seemingly

intended, to ship you some snow... yo.

During Boston's 2015 bumper snow year, they decided on a whim to ship people all over the US a package of fresh New England snow collected from around their house. They'll even send you a snowman.

Who is the market here? Who knows, but it was so successful they made enough money to start a sister company: Ship Foliage.

Ship Foliage sets out just as you would imagine – to ship you some local foliage from around the Waring's house. The couple set out to personally hunt down the season's best autumn leaves, preserve them, then go right ahead and ship them to you... for money. What a business.

## Baguette Bag

I won't insult your intelligence, so I will assume you already know the

Baguette Bag is a bag designed purely for the transportation of baguettes. So Frenchy, so chic.

Cyan, a small Ukrainian clothing label run by Victoria Panyukova, decided they were sick of schlepping around with naked baguettes open to the cool chill of a November in Paris (or Kiev). So, what was to be done?

From the creator:  
*"Made especially for the baguette fans, the Baguette Bag protects the fluffy loaf while keeping your hands free. Place your just purchased bread into this stylish accessory and sling it over your shoulder – now you can bike or walk and carry other groceries in your hands without damaging the baguette."*

For such a naff product, they certainly seem to be pre-selling well on the project platform 'wowcracy', so here's to your yeasty success Cyan!

## Potato Parcel

I have heard of naughty children receiving potatoes for Christmas but never those willing to pay for a potato message. There are thousands of people out there, however, more than willing to fork out good money to send an inscribed potato to... I really don't know.

So, what has this genius business gone and done? Starting at US\$11.50 for a plain text potato with a custom message and ranging up to photograph-emblazoned potato bundles for \$24.99, you too can send a personalised potato.

Potato Parcel literally buys bags of plain cheap potatoes, inscribes them, ships them and watches the bank account swell.

Aware of food wastage, they even pledge to donate a potato to food banks for every potato parcel sent. They even encourage you to plant your potato when you are done with it. Which I assume is immediately. 🍅

# How I beat a **cyber attack**

It's safe to say that we are all guilty of taking cyber security lightly. And too often, we wait for something terrible to happen before we act. Jessica May, a recent cyber attack survivor, shares her tips to help you prepare for the worst

• • •  
by Jessica Pillow



**Jessica Pillow,**  
founder, Pillow May

**P**illow May is a UK-based accountancy practice that takes an innovative approach to accounting and tax services. Its founder and managing director, Jessica Pillow, prides herself on being a pioneer of cloud technology and empowering her clients with the right financial systems to save valuable time and money.

But last year, Pillow May was hit by a cyber attack. Ms Pillow recounts her harrowing experience and how the Pillow May team turned an impending disaster into a learning curve.

Today, Ms Pillow and her team are extra vigilant against this ever-increasing crime that knows no borders, both physically and virtually.

## Jessica's story

Cyber crime is invasive; it sneaks into our homes, infiltrates our offices and seeps into our mobile devices – leaving victims embarrassed; vulnerable; devastated, and it is now

the most common crime in our country.

Authorised push payments (APP) is a type of cyber fraud where people are scammed into paying money to criminals, believing that it is a legitimate payment. According to Tide (August 2018), in 2017 alone there were close to 44,000 reported cases of APP fraud, costing small businesses over £236 million.

At present, there is no remedial action; unlike other types of financial fraud, banks and financial institutions cannot always retrieve the money and they do not have to reimburse APP fraud victims.

Why is this? Because, the full blame and responsibility lies with the person who authorised the payment. In fact, only a quarter of the 44,000 reported cases were refunded by financial services firms.

## Honestly – it happened to us

I have been running Pillow May for 10 years, we have had ups

and downs, but I have never felt as devastated as I did when I realised we were APP fraud victims.

I was just getting onto a boat in Vienna to travel to Bratislava for the first part of my summer holiday with my family when I received the call that we all dread. It was from one of my team members alerting me that they had discovered a cyber fraud that morning. To make it worse, the fraudulent payments we had authorised were on behalf of one of our clients – we were the vulnerable link.

After investigation, it became clear that although the original cause of the fraud was hacking of our client's email system, it was only successful due to weak systems at Pillow May. As is the case with most reported APP frauds – the bank was unable to offer the client any monetary compensation for the crime.

## The aftermath

Thankfully there was a financial reimbursement for our client, but what about the things you cannot rectify financially.

Our client has been extremely generous and shared time with us to help us improve our systems. We explored exactly what went wrong and then discussed together how the system could be improved.

It was clear to me that to move forward we needed to draw some positive learnings from this incident. I took a long hard look at our internal processes, our security policies, the extent of our cyber insurance coverage and our business culture.

## My cyber attack learnings

### 1. Ensure your business has adequate insurance and security

Since the attack, we have now taken out cyber liability insurance that covers fraudulent payments. While we were covered at the

time under our professional indemnity insurance, if the fraudulent supplier payments had belonged to Pillow May then we would not have been covered.

The insurers gave us a list of security measures to introduce into our practice such as changing our main passwords every 90 days.

### 2. Educate and train your staff

Make it your whole company culture to be aware and vigilant for cyber fraud. Anyone who can authorise or make payments for your company or on behalf of your clients should be trained.

We ran a bookkeeping team training session where we explored in detail exactly what had gone wrong and discussed how to prevent it happening again, such as understanding the nature of every transaction to ensure it is in line with our clients' normal business dealings, and the danger of over reliance on email.

- ◀ In 2018, businesses reported 5,846 scams with \$7.2 million in losses.
- ◀ Business email compromise losses reported to Scamwatch in 2018 exceeded \$3.8 million.
- ◀ Combined with losses reported to the Australian Cybercrime Online Reporting Network, losses to business email compromise scams exceeded \$60 million (up 170 per cent on 2017).
- ◀ Most likely targets were businesses with less than 20 staff.
- ◀ Billing scams were most popular.

happened can turn the experience into something positive, such as the cause to examine your own internal systems. We did just this and subsequently have introduced additional security checks, rules and updates, and a new bookkeeping engagement document.

One of the most important changes we have implemented is dual bank authority for all bookkeeping clients and encouraged all our clients to do the same if they handle payments internally. This is not due to a lack of trust but to stop any one person ever becoming liable for paying out a fraudulent payment.

Two-step verification should be the case, regardless of the pay grade as CEO fraud regularly happens. You also need to consider how the bank authorisation will work during staff holidays.

## Learn from us

I really hope that by sharing such specific details about our own experience of a cyber attack, all our clients will consider what we have learnt and take steps within their own businesses to identify any cyber weaknesses.

Sadly, I feel it is only a question of when you will be attacked, not if, but simple preventative steps like encouraging your staff to question out of the ordinary payments can be very effective or at least limit the financial scope of any attacks. 🙏

### 3. Do not be afraid to question

This leads me on to perhaps the biggest lesson for us, not being afraid to question. If any payments flag up warnings, such as a larger than normal amount, a new supplier or a new bank account, never be afraid to pick up the phone for verification. A quick call to your client or the supplier using historical contact information can easily confirm legitimacy.

Unfortunately, the APP fraud we fell victim to was very sophisticated as they used genuine historical client data, but sometimes there are obvious spelling or grammar errors that you can spot, so encourage your staff to be vigilant for invoice/email errors as a warning flag too.

### 4. Examine your internal systems and policies

Being victim to a cyber attack is largely out of your control, but how you react to what has



# Pottering around with **Sajo Ceramics**

When two hobby potters put their minds together, it is amazing what can eventuate – a very busy and highly creative ceramic studio and business. Business owner Joanne Maggs has shared the Sajo story with Public Accountant

## How did your small business journey begin?

My journey into owning and running Sajo Ceramics began in 2011, when my friend Sarah and I (Sarah is the Sa in SaJo) were looking for something to do in the ceramics industry as we were both hobby potters looking for work and did not want to join the 9-5 rat race. We came across a slip casting business on eBay based in Sydney and after obtaining it with the winning bid, moved thousands of moulds, kilns and racking to Melbourne.



Unfortunately, the overheads in the first three years of the business we had set up in a factory vastly outweighed the income. The partnership was therefore unsustainable, and Sarah left the partnership (on good terms) to become the lab technician at Walker Ceramics, one of the largest suppliers of ceramic equipment and clay in Australia, where she remains today. A team of volunteers and I moved the entire contents of the factory to my home in Kilsyth South into a purpose-built studio where we have now been operational for the last five years. The name Sajo now just means Say Jo.

## What are the biggest obstacles to being a small business owner?

Obviously in those early few years, cash flow was an issue, but I think the hardest thing in running your own business is that you never really have a day off. It doesn't matter if you are on the other side of the world on holidays, it is always in the back of your mind and you are always worrying that things are running OK, even with a fantastic team that you trust implicitly.

## How would you describe your small business?

Sajo is a ceramics studio that facilitates potters and ceramicists, from beginners to experienced artists in a relaxed casual setting to learn and share all things clay. We run a firing service and carry an extensive range of clay, glazes and tools, which makes us almost a one-stop shop for all your ceramic needs. The other part of my business is Lillypilly Pottery, which is the handmade side where I design functional ceramic pieces that are either hand thrown or slip cast ceramics made by my talented team and myself and sold in retail stores and in our online shop. We are currently in the process of launching two new ranges of dinnerware, which will be suitable for not only the home but for the commercial market for cafés and restaurants.

## What is the most important element of running your business?

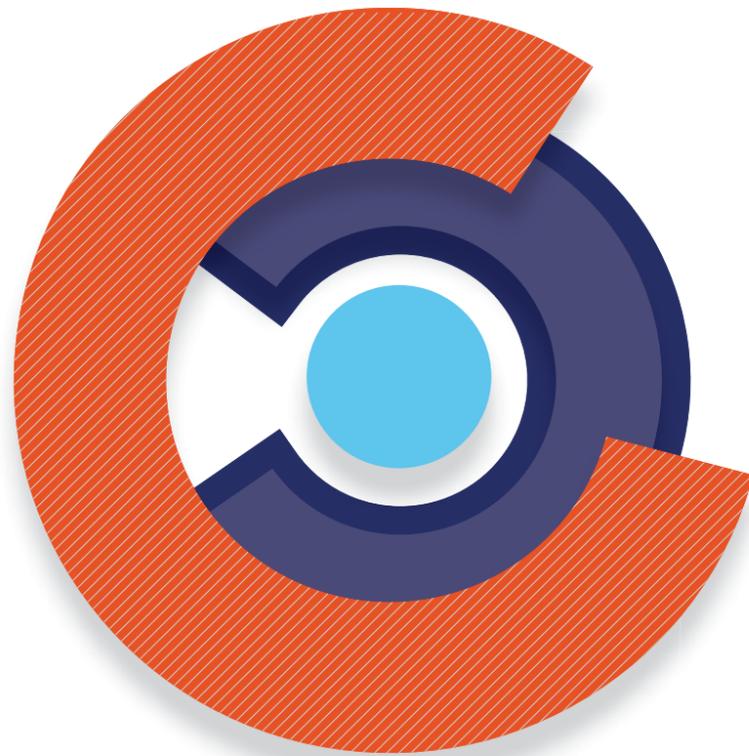
I believe the most important thing in running a small business is having the right team of people to support you in every facet of that business. I have a wonderful team, but it hasn't been without trials and changes along the way.

I think the best advice I have been given in business and would offer the same advice to anyone is to take a step back and look at the bigger picture, be prepared to diversify, do not over invest and know your market.

For more information:  
(03) 9761 1336  
[www.sajoceramics.com](http://www.sajoceramics.com)

# 360 DEGREES

What do you think the new government's priority areas should be?



## Edward Chan

founder and non-executive chairman,  
Chan & Naylor



The Morrison government had a historic win on the 18 May election. It was against all expectations and against all leading polls. However, there was a lot of turmoil over the last six years within the Coalition government, as it changed prime ministers and the electorate clearly wanted stability.

So, the first priority is to stabilise the Coalition government with a united party and a strong leader.

Scott Morrison has demonstrated he can be the type of leader the Coalition is looking for to bring the left and right factions of the party together in a united front.

The second priority is to ensure we go back into surplus as forecasted in its FY2020 budget, because without a surplus it will not be able to pay off the country's \$600 billion debt. In order to pay off this debt, it must keep the unemployment rate below 5.5 per cent and to do that it must keep GDP at 2.5 to 3.5 per cent by investing wisely, including infrastructure.

Thirdly, it must implement its election promises including tax cuts to low and middle Australians. An electorate won't take kindly to broken promises. There has been enough evidence that tax cuts will stimulate the economy as people will be left with more of what they earn and they will spend it in the economy.

The nation's AAA rating will be maintained by a surplus budget after FY2020 and then the government can focus its sights on various social services.

Finally, ensure that our defence budget is spent wisely as we are faced with increasing potential foreign threats, including cyber security, and maintain a strong border.



## Greg Hollands

consultant,  
Numbers Partnership



Now that the LNP has miraculously been returned to government, the issue arises about what will give it the best value for money in progress over the next three years. There are many issues that the election threw up, but the reality is that there is so much to do and only three years to either do it, or at least have substantial progress to the objective.

I would have thought that the magic word "infrastructure" would be a priority in consideration. Governments appear to have lost the concept of BHAG (big hairy audacious goal), sometimes called vision! We had it with the Snowy Scheme, Warragamba Dam etc, but there has been little infrastructure outside of major cities and regional areas for some time.

The Bradfield Scheme proposed for north Queensland so many years ago might be a good start, at least for a decent feasibility study. If successful, it would have a significant positive economic effect for regional Queensland, and some would say it might be regarded as "payback" for the very significant support that the LNP garnered during the election.

It would have a positive impact on the Murray-Darling further downstream - it might even eliminate large fish kills, but not necessarily immediately.

I am sure there are other projects that would yield significant benefits as well, but at the very least, the whole issue of infrastructure should be at the forefront of the mind of the new government. But beware, a decision should be made quickly so that progress can be made during the next three years.



## Timothy Munro

CEO and founder,  
Change Accountants



From a business point of view, the government should focus on reducing the dreaded "red tape" that pushes up compliance costs for business owners and in almost all cases delivers a lower benefit than the cost of achieving that benefit.

I would love to see the government start listening to small business (turnover under \$2 million) and micro business (turnover under \$500,000 and generally under two employees).

Imagine the benefits to small and micro business if the government gave these key areas priority:

**E-signatures** - Let's amend legislation across Australia to make e-signing of all documents 100 per cent legal and fully accepted by all government departments and banks, for all transactions.

**Create a single source of truth for business addresses** - Currently there are far too many places that need to be (separately) updated. ATO, ABN records, ASIC (company details and business names), SRO (State Revenue Office) etc. Let's simplify this, quickly.

**"Real" tax reform** - Until this is done, Australia is just shuffling the deck chairs on the Titanic! The government needs to resonate with the population to help them to understand that increasing the GST to 15 per cent or 20 per cent with a dramatic reduction in personal tax rates to a top marginal rate of 25 per cent and elimination of stupid taxes like FBT and stamp duty will actually lead to more than enough tax being paid to cover government services. Why? It's not worth it to try to avoid paying tax because the rates would be low.



## Simone Palfreyman FCA

principal,  
Palfreyman Chartered Accountants



The Liberal-National Coalition's stated policies are to create more jobs, maintain the budget surplus, provide tax relief for small businesses and families, increase investment in schools, hospitals and roads, and keep Australia safe. But are these really their priority areas?

From an accountant's viewpoint, the new government's focus appears to be on stimulating the economy to increase job growth and maintain the desired surplus.

The promised increase in the low- and middle-income tax offset, and improvement in tax brackets, will certainly see more surplus cash for individuals and families. Combine this with the \$30,000 immediate asset write-off for small businesses, and the economy should see a marked improvement.

Along with this tax focus, the new government has prioritised assisting families and improving the community. The announcement in May of the new First Home Loan Deposit Scheme, effective from 1 January 2020, will provide a boost to the real estate market by assisting first home buyers to purchase with only a 5 per cent deposit (available for individuals earning less than \$125,000 per annum or a couple earning less than \$200,000).

With the announcement of \$1.7 billion earmarked for state affordable housing services and an additional \$114.9 million for the National Partnerships scheme, a significant improvement should be seen for the homeless and the disadvantaged.

While tax and small business play a major part, for me the focus appears to be on assisting families and improving our communities.



Introduce a new member and save

**A BIGGER IPA BENEFITS EVERYONE**

Get 25% off your membership\* for every new member you refer!

See the website for full details.  
[PUBLICACCOUNTANTS.ORG.AU/2019MGM](http://PUBLICACCOUNTANTS.ORG.AU/2019MGM)

\*T's & C's apply



# Technical

Our technical section keeps you abreast of the regulatory, legislative and policy developments affecting the accounting profession

**68 Compensation for maladministration from the ATO really!**

Some practitioners may be unaware that government agencies are accountable for compensation for maladministration

**70 5 key considerations when purchasing property in a SMSF**

Trustees of SMSFs have many issues to deliberate when considering the purchase of a property as an investment for their SMSF

**72 Australia's hybrid mismatch regime**

In response to recommendations by the OECD in Action 2 of its Base Erosion and Profit Shifting initiative in 2015, Australia has now enacted a new hybrid mismatch regime that generally applies to income years commencing on or after 1 January 2019

**74 Three areas to get right to become a trusted financial services brand**

Becoming a trusted financial services brand requires some fundamental changes to the way institutions approach customers, productivity and culture

**76 The future of money and tax incentives**

As investment market participants, we have a new, decentralised financial model available to us. At the same time, the majority of our economy still relies on antiquated payment processing and remittance

# Compensation for maladministration from the ATO really!

Some practitioners may be unaware that government agencies are accountable for compensation for maladministration

by Tony Greco



**Tony Greco FIPA,** general manager of technical policy, IPA

The scheme responsible for administering this process is referred to as the CDDA scheme, which stands for Compensation for Detriment caused by Defective Administration. Prior to the election, the government called for a review of the CDDA specifically to consider the operation of the scheme by the ATO in relation to small business. The IPA participated in the review and

what follows is a summation of the pertinent points put forward in our submission.

The CDDA scheme allows Commonwealth government agencies to pay discretionary compensation when a person or organisation has suffered detriment as a result of defective administration, but when there is no legal requirement to make a payment.

Our submission focuses on the inadequacy of the current CDDA scheme for our members who are largely tax practitioners and who themselves operate small businesses in their own right. With about 75 per cent of individuals and 95 per cent of small businesses relying on the services of a registered tax agent, our members therefore play a crucial role in upholding the integrity of the Australian tax system. In our view, the current CDDA scheme is not fit for purpose and falls short of the expectations of the tax practitioner community, particularly in situations where the monopolistic nature of ATO technology fails to deliver.

The CDDA scheme does not compensate tax practitioners for

opportunity costs or reputational damage caused by systems being unavailable or deployment of new systems where there are major operational flaws. Under the current scheme, these types of losses are not specifically covered which, among other things, leads to so few claims being lodged by practitioners.

Specifically, the inadequacy of the CDDA scheme falls upon the ATO's narrow interpretation as to what constitutes "defective administration", which prevents what we consider to be legitimate claims for tax practitioners to be rejected.

We therefore recommend that the government consider and implement a fairer and more accessible CDDA scheme where tax practitioners are entitled to compensation where there are reasonable grounds to do so for both economic and non-economic losses.

## Failure in ATO technology and defective administration

Tax practitioners are at the mercy of the ATO when systems fail to deliver as there is absolute reliance placed

on these systems in making taxpayer lodgments.

The major outages in late 2016 and 2017 and the ATO's change program where a new IT system was deployed are prime examples of such technology failures. With respect to the latter, the issues faced by tax practitioners had included such things as:

- deployment of software that contained deficiencies and major flaws;
- ceasing to receive ATO correspondence/communications;
- outages that extended beyond the ATO's standard service period; and
- more recently, a system error that inadvertently led the ATO to issue incorrect pre-dated excess non-concessional contributions determinations to clients.

To our knowledge, the claims made by tax practitioners for financial losses incurred from these events under the CDDA scheme have been rejected by the Commissioner of Taxation on the grounds that the system failures are taken not to be "defective administration".

The issue as to what constitutes "defective administration" remains unresolved since the Inspector-General of Taxation's (IGT) 'Review into the Australian Taxation Office's change program' (change program review). In that review, the ATO disagreed with the recommendation of the IGT that it "work with the tax practitioner community to robustly and openly reconsider its position on compensation claims under the CDDA scheme and the process by which such claims should be made".

The ATO had cited in the review that there was no defective administration as the issues arising could be reasonably expected and that the losses incurred were

not 'real' as these costs are subsequently recouped.

While ATO systems have since been free from unexpected outages, in this digital age, there is a sense of inevitability that systems are capable of suffering an outage at any point in time. When such occurrences arise, the community not only expects that the problem be rectified quickly but those who suffer losses are appropriately compensated for their financial losses and inconveniences suffered. For example, Australian financial institutions, such as NAB, in more recent times have had to remediate and compensate business owners where there have been EFTPOS outages.

No different to those in the corporate sector, Australian taxpayers therefore expect, as 'clients' and consumers of government services, their agencies to compensate them where there are financial losses suffered from technology failures.

In this regard, we contend that the ATO's interpretation of "defective administration" is no longer appropriate in light of failures in technologies giving rise to economic and non-economic losses. Such technology failures were also acknowledged by the Commonwealth Ombudsman as a sound basis for compensating for defective administration.

This was observed by the IGT in the 2011 change program review as follows:

*3.207 The tax professional representative bodies argued that compensation should be initiated by the ATO, as requiring tax practitioners to lodge claims for compensation would exacerbate the adverse impacts they had suffered. They argued that this compensation should be based on an agreed set of factors including the number of tax practitioners'*

*clients, and that they should be involved in the process to ensure the right factors are taken into account.*

*3.208 They pointed to the Commonwealth Ombudsman's Compensation for detriment caused by defective administration – Fact Sheet 9, which specifically states as a common example of a payment under the Scheme for Compensation for Detriment caused by Defective Administration (the CDDA Scheme) being made where a 'person incurs expenses or loses eligibility for a benefit because ... a computer error results in a delayed payment'. The Fact Sheet also states that avoiding a legalistic approach is best practice as the agency should consider the claim 'from the perspective of a moral obligation and should not involve a compensation minimisation approach'.*

The ATO's narrow interpretation of "defective administration" is contrary to the Ombudsman's Fact Sheet. Consequently, this has dissuaded impacted practitioners from making legitimate claims for compensation. Many have been resigned to the fact that no matter how compelling and well supported their basis for redress might be, the ATO's response to any claims for financial compensation would likely be in the negative.

## Detriment warranting compensation

Where tax practitioners suffer an ATO outage that prevents them from accessing the tax agent portal or from lodging returns for their clients, the types of economic and non-economic losses suffered can include, but are not limited to, the following:

- Loss of income and opportunity costs;
- Loss of productivity;

- Psychological injury (such as stress and anxiety); and
- Reputational damage.

With respect to the loss of income and opportunity costs, it would be easy to argue that tax practitioners pass on their additional costs to the client in order to recoup their loss time. In the majority of situations however, the reality is that these costs are borne by the practitioner as most clients are not willing to pay for additional work that was a result of practitioners addressing an ATO systems failure.

A clear inadequacy of the current CDDA scheme is that it also does not contemplate psychological injury and reputational damage as part of its remit. The untold stress on tax practitioners to ensure that lodgments are made where there are systems outages should also not be discounted nor dismissed. Business clients all requiring their business activity statements lodged at the same time so that they can obtain their cash refunds is one example where practitioners can be under significant stress because they cannot properly service their clients. Such occurrences can also lead to reputational damage for the practitioner notwithstanding that the impact is outside their control.

Admittedly, while it can be difficult to quantify these types of non-economic losses, we contend that compensating for such losses warrants inclusion in any proposed changes to the CDDA scheme. Further, to reduce the costs to tax practitioners of submitting a claim under the CDDA scheme, consideration should also be given to blanket redress arrangements in situations where all tax practitioners are impacted by defective administration by the ATO (such as an unexpected and sustained nationwide outage).

## Independent review of the ATO's decision

The current CDDA scheme operates at the discretion of the ATO and does not provide scope for the review of the ATO's decision where a tax practitioner's claim is declined.

Previously, some tax practitioners have sought the views of the Commonwealth Ombudsman as to whether there is legitimacy to their claims, however, as observed by the IGT (at para. 3.212 of the change program review), "the Ombudsman could not stand in the shoes of the Commissioner in relation to these decisions and could only examine the process taken to derive at the decision".

Under any revised CDDA scheme, we consider that there should be some grounds to appeal the claim made to the ATO and have it reviewed and, if successful, overturned by an independent party.

Increasingly, there is a greater reliance by taxpayers and tax agents on digital interactions with the ATO. While we have had a relatively stable and event free ATO administration of information technology of late, we need to be better prepared to resolve productivity and reputational issues in the event of a future digital disruption. We welcome the review and hope it leads to better outcomes for our members in the event that they suffer economic or non-economic losses. We also need to narrow the difference between what tax agents and the ATO consider to be defective administration. The review comes at a time when professional accountants are facing increasing regulation and compliance. This is resulting in increased costs and time burden in servicing clients. It is critically important that the environment in which practitioners operate is taken into consideration in the review. ●

# 5 key considerations when purchasing property in an SMSF

Trustees of SMSFs have many issues to deliberate when considering the purchase of a property as an investment for their SMSF. That includes whether they will utilise the SMSF limited recourse borrowing provisions under the SIS Act, or purchase the property using available funds

by Michael Harkin



**Michael Harkin,**  
national manager – training and advice, Topdocs

**T**his paper will consider five key considerations:

- Is it the right investment for the superannuation fund?
- Does the fund have the resources to purchase the property outright?
- Should the property be purchased in the SMSF or in another entity?
- Will the trustee borrow to acquire the property? and
- How will property be managed following the death of a member or members?

### Is it the right investment for the superannuation fund?

The investment strategy of the SMSF needs to be considered in regard to the range of investments available to the trustee. If it is noted that the purchase of a property will cause the range of investments permitted under the investment strategy to be out of alignment, the trustee should meet to consider amending the investment strategy.

### Outright purchase

Initial questions that the trustee needs to answer are:

- firstly, whether the SMSF will purchase the property using available resources of the SMSF;
- secondly, whether it is prepared to commit a significant portion of the SMSF assets towards the purchase of a 'lumpy' asset, at the expense of diversification; and
- thirdly, whether it would be more prudent to purchase a property of a value greater than the available resources, using borrowed funds to complete the purchase.

### Ownership structure

Once the decision has been made in regard to the property to be purchased, the next consideration is the proper structure in which the property will be owned - will the trustee of the SMSF own the property or will, for example, the SMSF own units in a unit trust which will, in turn, own the property?

Unit trusts can provide a number of advantages in comparison to holding the property in the SMSF, such as:

- providing protection for other assets of the SMSF in the event of accidental injury at the property; or
- enabling activities that would

not be permitted if the property was being purchased by the SMSF/bare trustee under a limited recourse borrowing arrangement.

### SMSF limited recourse borrowing arrangement

Having decided on the purchase and the structure, it is likely that the decision as to whether the fund will enter into a limited recourse borrowing arrangement will also have been made. The next decision could be whether the borrowing will be from a bank or other financial institution, or from a related party. Further to that, the amount that would be available for purchase under the borrowing would need to be ascertained.

### Planning for the occurrence of the death of a member

Once the SMSF has purchased an asset, such as property, which forms a significant ('lumpy') portion of the assets of the SMSF, consideration needs to be given to what would happen in the event of the death of a member. For example, it may be necessary for the property to be sold or transferred to beneficiaries, if the entitlements of those beneficiaries were required to be paid out of the SMSF. That would most likely occur when adult children or more remote dependants are the beneficiaries.

If the surviving spouse is to be the recipient of the death benefits then the funds, including the 'lumpy' assets, could remain in the SMSF and provide a pension to the surviving spouse. That is predicated on the assumption that:

- the spouse is able to retain within superannuation the deceased member's benefits, considering the limits imposed under the transfer balance cap rules; and
- sufficient income will be generated from the property



and other assets to at least meet the minimum pension requirements, or the higher cost of living requirements, of the spouse.

When the SMSF has borrowing obligations to meet, the situation is compounded.

### More considerations

Some further considerations for the SMSF trustee, if entering into a limited recourse borrowing arrangement, include:

- will the fund have sufficient liquidity to meet ongoing loan payments?
- does the property to be purchased comprise multiple titles?
- is it planned to develop or significantly improve the property?
- does the contract to purchase include the purchase of ancillary items e.g. furniture in an apartment or machinery in a factory?
- will the appropriate documentation be available prior to signing the contract?
- who will sign the contract as purchaser?

- who is the vendor? and
- who will occupy the property after settlement?

### Liquidity

The inability of certain members to contribute to the SMSF, because of age or total superannuation balance limitations, is a very important factor in considering liquidity and cash flow needs.

In the event of the disability of a member, particularly when the expected contributions in respect of that member are committed to meeting loan repayments, the fund can incur significant financial difficulties. Planning for that should take place at about the time of making a decision to purchase property in the SMSF.

### Multiple titles

Generally, purchases under the SMSF limited recourse borrowing arrangements must be under a single title in order to meet the single acquirable asset provisions. Exceptions to that rule include apartments and car parks which cannot be separated, and farms and factories which have major buildings across multiple titles.

### Development or improvement

If the proposal is to develop or significantly improve the property, a standard SMSF limited recourse borrowing arrangement is unlikely to suit. Purchase through a unit trust, most likely using related party lending, may overcome the restriction.

### Ancillary items

The Single Acquirable Asset provisions would be breached if the borrowing is used to purchase ancillary assets, such as furniture in an apartment, machinery in a factory or equipment on a farm. Those items should be purchased using SMSF funds, rather than borrowed funds.

### Documentation and signing the contract

The trustee of the SMSF, when acquiring property under a limited recourse borrowing arrangement, should not sign the contract. Preferably, the bare trust documentation should be available prior to entering into the contract, so as to avoid any subsequent repercussions. Rules as to the timing of signing both

the bare trust documents and the contract of sale vary across each state or territory.

### Vendor

If the vendor is a related party to the members of the SMSF, there are limitations on the assets which may be acquired.

In particular, residential property could not be acquired from a related party in most instances.

### Tenant

Similarly, if the proposed tenant is a related party to members of the SMSF, the SIS legislation permits such an arrangement so long as the property is business real property and the lease is legally enforceable. If the property is residential property, it must not be leased to a related party.

### Conclusion

As can be seen above, purchasing property in an SMSF contains a number of key considerations, and, flowing from those decisions, a further range of considerations, particularly if an SMSF limited recourse borrowing arrangement is intended. ☺

# Australia's hybrid mismatch regime

In response to recommendations by the OECD in Action 2 of its Base Erosion and Profit Shifting (BEPS) initiative in 2015, Australia has now enacted a new hybrid mismatch regime that generally applies to income years commencing on or after 1 January 2019

by David Rumble and Liam Delahunty



David Rumble, partner, RSM



Liam Delahunty, partner, RSM

These rules are very complex in their application and can adversely impact a range of Australian groups – principally by denying deductions – including in situations where circumstances exist that they are completely unaware of. This is particularly evident in the case of ‘imported mismatches’.

Additionally, Australia has gone beyond the OECD BEPS recommendations by also introducing a specific financing integrity measure which, broadly stated, effectively requires lending into Australia to be taxed at a rate in excess of 10 per cent.

Nevertheless, despite this complexity, all multinational groups will need to undertake some work to ascertain whether or not the hybrid mismatch regime applies.

## What is a hybrid mismatch?

A hybrid mismatch will typically arise where taxpayers exploit differences in the tax treatment of an entity or instrument under the laws of two or more tax jurisdictions to defer or reduce the overall cost of income tax.

This most commonly will be in the form of:

- a deduction in two jurisdictions for the same payment (a

deduction/deduction (DD mismatch); or

- a deduction in one jurisdiction for a payment, which is not assessed as income in the recipient jurisdiction (a deduction/non-inclusion (DNI) mismatch).

## What is Australia's hybrid mismatch regime designed to do?

Australia's hybrid mismatch regime is designed to counteract hybrid mismatch arrangements for Australian taxpayers by either including additional amounts in the taxpayer's assessable income or denying tax deductions.

## When will Australia's hybrid mismatch regime apply?

Australia's hybrid mismatch regime will generally only apply to taxpayers who have entered into:

- arrangements with entities that are related or members of the same control group; or
- entities are related if one owns 25 per cent or more in the other entity or they share a common owner with a 25 per cent or more interest (on an associate inclusive basis).
- entities are in the same control group if they are consolidated for accounting purposes, own

50 per cent or more of the other entity or have a common owner with a 50 per cent or more interest.

- a structured arrangement – a structured arrangement is an arrangement where:
- the hybrid mismatch has been priced into the terms of the scheme; or
- it is a design feature of the scheme (regardless of whether the parties are related).

Notably, the ATO has set out an expansive view of when a ‘structured arrangement’ may exist, which potentially impacted groups will need to be aware of.

## Types of hybrid mismatch captured by the regime

If a taxpayer has entered into an arrangement that satisfies either of the above, then consideration must be given as to whether the arrangement is one of the following types of hybrid mismatch as summarised below.

### 1. Hybrid financial instrument mismatch

A hybrid financial instrument mismatch exploits differences in the tax treatment of:

- a financial interest (e.g. a debt interest, an equity interest or a derivative financial arrangement); or
- an arrangement to transfer a financial instrument (e.g. a repurchase or a securities lending arrangement).

A hybrid financial instrument mismatch is classified as a DNI mismatch that, depending on the circumstances, is neutralised by Australia's hybrid mismatch regime by denying a deduction to the Australian taxpayer or including an amount in its assessable income.

There is, however, an exception for hybrid financial instrument mismatches where the difference

in treatment relates to deferral in the recognition of assessable income for a period of three years or less.

### 2. Hybrid payer mismatch

A hybrid payer mismatch arrangement exploits differences in the tax treatment of the payer.

An example of when this type of mismatch may occur is where payment is made by an Australian subsidiary to a US parent where a ‘check the box’ election has been lodged to treat the Australian subsidiary as a disregarded entity for US tax purposes. In this instance, a deduction would arise to the Australian subsidiary, but an amount would not be included in the parent's assessable income.

A hybrid payer mismatch is classified as a DNI mismatch that, depending on the circumstances, is neutralised by either denying a deduction to the Australian taxpayer or including an amount in its assessable income.

Certain ‘dual-inclusion income’ rules mitigate this denial outcome to the extent this deduction is offset by amounts of assessable income.

### 3. Reverse hybrid mismatch

A reverse hybrid mismatch will arise where a deductible payment is made from Australia and both the payment recipient's jurisdiction and the jurisdiction of an investor in that recipient treat the payment as being allocated to the other jurisdiction, thus resulting in the payment received not being assessed in any jurisdiction.

An example of a reverse hybrid is a Dutch ‘CV/BV’ arrangement, which have been commonplace in a number of US-parented multinational groups. A reverse hybrid mismatch is classified as a

DNI mismatch that is neutralised by denying a deduction to the Australian taxpayer.

### 4. Branch hybrid mismatch

A branch hybrid mismatch will arise where both the ‘residence’ jurisdiction and the ‘branch’ jurisdiction treat a payment as being allocated to the other jurisdiction, resulting in the payment not being assessed in any jurisdiction.

A branch hybrid mismatch is classified as a DNI mismatch that is neutralised by denying a deduction to the Australian taxpayer.

### 5. Deducting hybrid mismatch

A deducting hybrid mismatch will arise where two jurisdictions permit a deduction in relation to the same payment and the deduction is taken into account in calculating the taxpayer's net income in both jurisdictions.

US general partnerships formed as the head entity of a US tax consolidation – which may also be part of an Australian tax consolidated group – are a relatively common example of a deducting hybrid, where they have borrowed funds to acquire US subgroups.

A deducting hybrid mismatch is classified as a DD mismatch that is neutralised by denying a deduction to the Australian taxpayer.

### 6. Imported hybrid mismatch

An imported hybrid mismatch will arise when a hybrid mismatch is ‘imported’ into Australia through an importing payment.

An imported hybrid mismatch is an integrity measure that applies when one or more entities are

## The key points for taxpayers in relation to Australia's hybrid mismatch regime include:

- The rules are more far-reaching than they appear, there are no grandfathering provisions for existing arrangements and there is no de minimis threshold for their application. In particular, they are not limited to ‘significant global entities’.
- The rules catch a broad range of payments including payments for services, interest, royalties and rents.
- The rules may apply to both payments between related parties and unrelated parties, in certain cases.
- Interest Withholding Tax will generally still apply where a debt deduction has been denied.
- It is important that all taxpayers with international dealings have a detailed understanding of their global structure and the application of foreign income tax laws as they apply to their group. In particular, such taxpayers will need to have undertaken an appropriate degree of self-assessment when completing their tax returns – and will specifically be asked in their International Dealings Schedule whether they are party to any hybrid mismatches. This will include imported hybrid mismatches – which they may be entirely unaware of.
- It is possible that an Australian entity may pay tax because someone else (generally in a foreign jurisdiction) does not.

interposed between a hybrid mismatch and a country that has hybrid mismatch rules. This mismatch is neutralised by denying a deduction to the Australian taxpayer.

### 7. Financing integrity measure

Australia's hybrid mismatch regime also contains an integrity measure that targets payments of interest (or a payment of a similar character) under a scheme that does not include a hybrid mismatch per se, but includes arrangements that have a similar effect, where:

- an equivalent DNI mismatch arises through the use of one or more interposed foreign entities in the same ‘control group’ which invest into Australia; and
- the principal purpose is to enable an Australian income tax deduction and foreign income

tax to be imposed at a rate of 10 per cent or less.

If this integrity measure is triggered, the Australian deduction will be disallowed unless the parent entity's jurisdiction has an equal or lower tax rate and no hybrid mismatch would otherwise have arisen.

This integrity measure is designed to prevent multinational groups from entering into structures to circumvent Australia's hybrid mismatch rules. Subject to these exemptions, this rule now effectively requires lending into Australia to be taxed at a minimum rate in excess of 10 per cent. This will impact lending into Australia from tax havens that do not impose tax, as it will impact lending from jurisdictions such as Singapore that do not tax foreign income that is not remitted onshore. ☹

# Three areas to get right to become a trusted financial services brand

Becoming a trusted financial services brand requires some fundamental changes to the way institutions approach customers, productivity and culture

by Michelle Kam, Dee Monaghan, Barry Trubridge, Eduardo Arnoni



▶ **Michelle Kam,**  
PwC Australia



▶ **Dee Monaghan,**  
PwC Australia



▶ **Barry Trubridge,**  
PwC Australia



▶ **Eduardo Arnoni,**  
PwC Australia

**F**inancial services leaders are currently facing challenges that, in their substance and mix, have arguably never before been more similar across sectors.

At the centre of course is the royal commission, which raises the bar for every institution in terms of conduct, reliability, quality and delivery, as well as consequences for executives and directors for failure to meet expectations.

It's a significant challenge. Although the royal commission seemed to show limited sympathy for the challenges of dealing with the organisational, product, process and technology complexity executives face, these challenges are real.

What's more, in many cases making faster progress in any or all of these areas often requires hard choices that organisations always struggle to make, like choices about markets to serve or not serve, or risks to accept lest opportunities be left on the table.

The good news is that there is enormous value in getting it right, and being early. It's more than just the avoidance of sanction. We believe that the financial institutions that can become

truly trusted in this moment of market cynicism and industry flux have the opportunity to become the most valuable brands for a generation.

## 1. Customer centricity

To become trusted, financial services institutions need to think beyond mere compliance. They need to proactively engage in the determination of fairness, the drivers of trust for their business and the need to execute at scale. The opportunities for a first mover are huge. The opportunities for the industry are even bigger.

Organisations need to question the biases that are ingrained in existing business models and decision-making. This means understanding those biases and putting in place counter-measures to drive transformational change. It means changing established decision-making processes to better serve the customer – even if that incurs a short-term cost.

We think institutions require a new model for customer experience. A model of empowerment and alignment. Gone are the days of small customer experience teams, embedded deep within the organisation structure, limited

in budget and decision-making power. Instead, leaders need to look systematically at all aspects of business operations to ensure systems, processes, discretions and leadership behaviours align with aspirational customer outcomes.

Becoming a trusted financial brand will also require a rethink on measuring customer sentiment. The emphasis must be on changing behaviour, not just moving a number or improving reporting. This requires a combination of initiatives that, collectively, tap into how customers experience products and services. Initiatives such as:

- The industrialisation of feedback into product and service design;
- Looking at customer behaviour, not just survey results;
- Using unstructured data that already exists;
- Creating and empowering small teams, dedicated to removing pain points and improving core systems and processes;
- Engaging customers through personalisation and proactive service – instead of the 'set and forget' approach to product and service design; and
- Rigour in detecting and rectifying adverse customer outcomes against a framework of fairness, including customer listening, and behavioural analytics.

A financial institution with this new customer focus might look quite different from those we see today. They would actively welcome customer complaints. They would predict and prevent misconduct, instead of retrospectively detecting it. They would innovate, yes, but in their core systems and processes, not the periphery. And, finally, they would delay or eliminate revenue sources based on aspirations of customer experience, trust, reputation and/or fairness.

## A new model of empowerment and alignment

If you need a catalyst for change - or are early into the adoption phase

If you are confident that you are 3-4 years into customer transformation

### Create a centralised team

- Success factors -

- power within the organisation
- budget to invest
- decision rights on projects
- the unequivocal support of the board and CEO

### Distributed model

- Success factors -

- think systematically
- regular scope review of projects
- look at all operations
- effective decision-making process
- align end to end experience
- empower frontline staff

They need teeth

Are we aligned to customer outcomes or just mirroring the organisation of the past?

## 2. Productivity

Productivity has become even more critical as financial institutions face up to the current environment and the royal commission report. To become a trusted financial institution, it is now essential to simplify operations, products, processes and systems – as well as distribution models.

While many institutions have tried to do this, their initiatives haven't shifted the dial in terms of returns. Informed by our global productivity survey, we recommend financial services leaders focus on these areas:

- Balance empowerment with management of the workforce: In deeply operational, transactional and highly repeatable areas of the business, most organisations

don't understand where staff are spending their time and effort. By tracking such activities, better solutions can be put in place to drive productivity where it matters.

- Rethink change functions: Most financial institutions are making significant investments in change but they need to attract the right talent and establish proper governance and technology too. Being clear about where to drive change, to ensure the right sequencing, resourcing and pace, is pivotal.
- Embrace the platform economy: Financial institutions need to open themselves to alternative resource and engagement models to drive innovation and achieve productivity benefits through growth.
- Improve workforce digital

IQ: Digital skills need to be embedded across the organisation for more reasons than just productivity; digital fitness creates contemporary skills in the workforce that can be applied to supporting a range of digital advancements from customer through to back office.

- Bring an agile mindset to the mainstream: Agile ways of working need to be adopted across the organisation, not just within individual business units. The more pervasively this can happen, the more likely an agile mindset can emerge.
- Mastering digital labour: To achieve productivity gains through RPA and AI, employers must be strategic about hiring talent and developing business cases.

## 3. Culture

After the royal commission's criticisms of organisational culture, financial services leaders may be tempted to view culture as a remedial issue. But culture has the potential to be so much more than that. Culture is the force that can drive organisations towards being simpler, focused and more deeply connected.

Much like an individual's personality, culture consists of sustained patterns of behaving, thinking, feeling and acting. And like a personality, every financial institution's culture is unique and relatively entrenched.

So, the first step for leaders is to rigorously and honestly understand their unique cultural situation and identify the inherent strengths and risks. If cultures don't change very fast or very much, then unlocking and directing the latent power you do have becomes important.

While culture cannot be overhauled entirely, progress can be made by focusing on behaviour

and habits – and there are ways to accelerate that.

Most organisations focus on the formal levers of culture (such as remuneration, governance charters, KPIs, training and organisation structure), which while important, only drive rational compliance. But financial services leaders need to prioritise informal levers as well, because these drive emotional compliance and overcome any natural resistance inherent in people.

We recommend identifying the 'critical few' behaviours that align with the organisation's strategy and cultural imperatives. Focusing on a handful of behaviours will drive focus and simplicity – allowing the behaviours to spread virally through a business and have a disproportionately high impact on people, risk and business outcomes. In this way, these informal levers can accelerate transformational change.

Finally, a comprehensive measurement framework is required too. This must include tactical lead measures (e.g. participation in behavioural awareness sessions) as well as outcome measures (e.g. employee engagement scores). This framework must be used to not only measure progress but also to manage progress by informing corrective action.

The behavioural approach described above can only happen with absolute commitment from senior leaders. Executives and boards need to share cultural insights and also demonstrate progress, especially because cultures are so rigid. It is strategically important to focus on critical behaviours and how they drive change in people, risk and business outcomes. Only then can an institution ensure fair outcomes for customers and, ultimately, become a trusted financial services brand. 🗨️

# The future of money and tax incentives

As investment market participants, we have a new, decentralised financial model available to us. At the same time, the majority of our economy still relies on antiquated payment processing and remittance. When will code really meet money at a global scale? What will it take to get there?

by Maryna Kovalenko

• • •



**Maryna Kovalenko,** senior consultant, corporate tax, BDO Australia

**M**any finance industry commentators argue that the best money for our digital future is hard money that is not linked to a particular country, is scalable for financial transactions, and global for mass adoption. The money of the future may allow consumers to become their own bank.

The money of the future may well be crypto.

### Path to adoption

Adopting new technology can be challenging, especially when there are multiple moving pieces. The path to adoption of digital currency is no different. It relies on society's ability to not only understand the purpose of crypto and what it's used for, but also make sense of how the crypto markets like bitcoin work and grasp the concept of a private key. This is no small task.

Adoption is expected to happen when the user experience overcomes all the underlying complexity, similar to how the complexity surrounding the internet was eventually removed.

### Hurdles to mass adoption

Before crypto can be adopted by the general population,

three key hurdles need to be addressed:

- Security – it is still far too easy for everyday users to lose funds due to malicious actors;
- Ease of use – despite being more secure than traditional banks, the blockchain can seem daunting to new users; and
- Coexistence with traditional finance – convincing people to step outside of their financial comfort zone to use crypto is tricky as traditional banks have been the norm for a long time and independent assurance in the crypto market has been limited.

Rather than trying to compete with banks, the crypto industry needs to educate people on the benefits that crypto can offer over traditional financial institutions, while creating the tools needed to easily on-board them.

To solve this, cryptocurrency markets need to be more accessible to, and more secure for, the everyday user by simplifying details like lengthy addresses and making wallets easier to navigate, among other things.



*"It's time for wallets and exchanges to change the paradigm and enable dramatic improvements in usability across all blockchains"* – David Gold, CEO of Dapix, Inc.

### We will get there

Technology gradually creeps up on you. History suggests that we overestimate what we can do in one year, and underestimate what we can achieve in 10 years.

If you compare crypto to the history of the internet, distributed ledger technology is in the early stages of technological progress. There is a long way to go, but the

chances are that we will get there sooner than we think.

### Want to use your crypto or fiat to invest now? Check for tax incentives

There are many people who have taken the view that crypto is here to stay and opted to join the investment journey early.

If you are attracted to this growing investment mechanism, be sure to investigate any investments where you can use your crypto or fiat to obtain tax incentives.

There are numerous new and exciting start-ups that meet the Australian Taxation Office's (ATO) criteria for an early-stage innovation company (ESIC). Many of these ESICs seek seed funding

by way of crypto or fiat. Investing in these ESICs – via either crypto or fiat – means you could be eligible for tax incentives as an angel investor. The early stage investor tax incentives are available to both Australian resident and non-resident investors.

The tax incentives provide eligible investors who purchase new shares in an ESIC with a:

- Tax offset equal to 20 per cent of the amount paid for their qualifying investments. The tax offset will directly reduce the amount of tax you have to pay, with each dollar of tax offset reducing your tax payable by the same amount. If you don't use all of your early stage investor tax offset in one

year, you can carry forward the remaining amount for use in future income years. The maximum offset that you can claim in the current income year cannot exceed \$200,000; and

- Capital gains tax (CGT) treatment, under which capital gains on qualifying shares that are continuously held for at least 12 months and less than 10 years may be disregarded.

If the investor is a trust or partnership, special rules apply so that the entitlement to the tax offset flows through to the member of the trust or partnership. If the investor is a superannuation fund, the trustee of the fund and not

In June, Australia's BDO announced it would provide auditing and assurance services for blockchain and crypto assets in a move that's likely to attract new institutional investors to the sector.

BDO will provide its services via a partnership with Singapore and Sydney-based Decentralised Capital, a specialist blockchain firm focused on developing institutional grade digital assets and services.

On occasion of the announcement, BDO national leader for financial services Tim Aman said, "One of the biggest barriers holding institutional investors back is the lack of transparency about the quality of digital assets. By providing comprehensive audit and assurance services, our entry into this growing sector will be a game changer for new investment into this asset class."

the fund members would be entitled to the tax incentives.

You should also note that there are important other tax considerations when investing using crypto, for example, there may be CGT events that result from the conversion of crypto into other investments, which could result in a taxable capital gain on making the investment if the value of your crypto has increased since it was acquired. ☺

# Register of members

The following list updates the Membership Register of the Institute of Public Accountants. The board of directors extends congratulations to all new members and to those who have advanced in status

**Admitted as AIPA**

**New South Wales**

- Vikram Akku
- Fanila Aslam
- Shikha Chadha
- Troy Gallegan
- Azzurra Giardinieri
- Colin Hosa
- Hongwei Huang
- Aadil Khan
- Gurjap Kohli
- Mohammad Laghaei
- Stacey-Anne Mannell
- Valeria Ponce Perez
- Rod Schuback
- Sachin Sharma
- Shirin Sultana
- Yingying Teng

**Victoria**

- Abhinav Abhinav
- Dan Agius
- Rakeshdev Chettoo
- Peter Cliff
- Jennifer Gaunson
- Kelly Gilbert
- Lance Jackson
- Melissa Lunt
- Muhammad Malik
- Champika Perera
- Carol Rimkevics
- Jessica Ritchie
- Gagandeep Singh
- Hardeep Singh

**Lakhbir Singh**

- Monica Sommer
- Warren Strybosch
- Sachindra Tawade
- Peter Tran
- Susie Tzimas
- Anupama Wadugodapitiya
- Katherine Webb
- Dewi Widjanarko

**Queensland**

- Tanveer Ahmad
- George Dalgety
- Jesse Gray
- Simone Hickey
- Hayley Hyytinen
- Mija Kajtar
- Serena Meredith
- Daniel Parish
- Lisa Post
- Artika Prasad
- Zoe Studders
- Warren Tidmarsh
- Fang Xu

**South Australia**

- Darrin Hepworth
- Jessica Nye
- Sonia-Marie Sghendo
- Yao Tong

**Western Australia**

- Yuliya Burns
- Joanne Ellison
- Gurneet Gill
- Zoe Kosky

**Renaee Reddin**

- Chaojun Ye

**Tasmania**

- Brodie Stokes

**Australian Capital Territory**

- Xiangrui Meng
- Chuan Wu

**Malaysia**

- Ann Nee Tan

**Hong Kong**

- Kwok Ming Chan
- Yun Sun Chiu
- Kwan Ngai Lam
- Anthony Wong

**Overseas**

- Surekha Sheshadri
- Leo Lik Kwan Yung

**Admitted as FIPA**

**New South Wales**

- Catriona Rogers

**Queensland**

- Mark Hutchins

**Western Australia**

- Paul Gilbert

**Tasmania**

- Megan Eriksson

**Overseas**

- Aswin Arasappan

**China**

- Bian Weidong
- Chao Shen
- Chen Yang
- Cui Xiaoyun
- Deng Haiyan
- Dong Hongqian
- Fang Huiyan
- Fu Yuenan
- Gao Lan
- Huang Baogang
- Liu Xinhua
- Wang Haiying
- Wang Xinzhou
- Xu Qingdong
- Xu Yong
- Zhang Feng
- Zheng Yue

**Admitted as MIPA**

**New South Wales**

- Mohammed Bhuiyan
- Elias Bou Assi
- Tracey Crowley

- Bassam Ghantous
- Kristofferson Gonzales
- Michael Hansen
- Adiel Jacobs
- Bradley Jolly
- Kaushal Khona
- Yvonne Lai
- Rafik Motorwala
- Van Thanh Nguyen
- Steven Watson

- Jean-Marc Emile
- Riza Erdugan
- Sharon Hope
- Rickie Ng
- Grant Patterson
- Selviana Schembari
- Ilesh Shah
- Dongliang Shen
- Jason Stevens
- Julie Tribe
- Prince Vijitkumar

**Victoria**

- Joanne Barns
- Christopher Bergin
- Emma Brennan
- Katie Bryan
- David Cincotta

- Yan Zhang
- Yu Zhang

**Queensland**

- Julie Allen
- Peter Boshoff

- Mary Miskelly
- Jeanette Mitchell
- Mark Pollock
- Della Wood

**South Australia**

- Brenton Altschwager
- Melissa Arthus
- Christopher Whitham
- Yebing Zhang

**Western Australia**

- Sandra Andrews
- Anthony Drayton
- Carmela Lacey
- Brentleigh Mezger

**Malaysia**

- Shelventhern Chellamuthu
- Kui Fui Chu

**Hong Kong**

- Ka Chun Chan
- Kin Yuen Chan
- Mei Hing Aurora Chan
- Ying Chiu Chan
- Pui Ha Windy Cheng
- Kin Hing Ho
- Kai Chuen Im
- Isabella Kee
- Sing Mung Michael Kor
- Ka Yi Lam
- Chan Shang Law
- Ka Hang Karen Lee
- Suen Luk Lee

**MEMBERS AND NON-MEMBERS WELCOME**

**2019 SMSF RETREAT NOOSA**  
29-30 AUGUST  
RACV NOOSA, NOOSA HEADS

Join us in magnificent Noosa on Queensland's Sunshine Coast for our two-day SMSF Retreat. Presented by Shirley Schaefer and guest speakers Dana Fleming and Mark Ellem, our comprehensive program will tackle some of the current issues in the SMSF field.

Earn valuable CPD hours and network with like-minded colleagues at this 'not to be missed' event. **Early Bird prices honoured for Public Accountant readers!**

For more information contact the **QLD Division** on **07 3034 0900** or **QLDDIVN@PUBLICACCOUNTANTS.ORG.AU**

**IPA INSTITUTE OF PUBLIC ACCOUNTANTS**

## Register of members

Pui Yiu Leung	Angkaren Srun	Long Jing
Yin Wa Liu	Chantory Srun	Lu Ruili
Kar Fai Mak	Melissa Susan	Luo Weijun
Yin Chong Mak	Steenkamp	Lv Guihua
Kwok Leung Man	Hasun Tennekoon	Lv Xianghong
Louisa Gertrude Mutto	Muhammad Husnain Zaib	Mei Zhu
Siu Fung Ng		Peng Qihua
King Ho Tam	<b>China</b>	Wang Liqin
Kwok Yin Jefferson To	Bixun Chen	Wang Yong
Ying Wang	Cao Xuguang	Wang Zhiying
	Chai Ying	Wu Yong
<b>Overseas</b>	Chang Xinghua	Yang Wenwen
Mohamed Finosdir Abdul	Chen Jianqiang	Yang Xingmei
Cader	Chen Quan	Yang Ya Hui
Abbas Ali	Cui Yungang	Yao Huijie
Imran Ali	Feng Ranran	Yu Kuanghua
Mandeep Bashistha	Feng Xiaochuan	Yu Leiping
Kartik Bist	Gan Yuling	Zhang Chengyu
Shahrukh Bukhari	Gao Qing	Zhang Xu
Aazib Muhammad Hanif	Gao Zhongkai	Zhong Hui
Genda	Gu Qiaoli	Zhong Yuan
Muhammad Iqbal	Gu Shuangquan	Zhuang Jie
Riazul Islam	Guo Xin	Zou Jing
Muhammad Naveed Jan	Han Ying	
Siewe Wadeu Jean Justin	He Xiufang	
Muhammad Kaleem	Huang Wei	
Vikas Kateja	Huang Yuan	
Omar Khurshid Khan	Ji Shuwang	
Jaswant Kumar	Jiang Chengwen	
Zulfiqar Mirza	Ju Zhenghua	
Simon Kamguna Mpeho	Kong Fanhu	
Afshan Noreen	Lai Dongmei	
Ikram Raza	Li Fengling	
Muhammad Bilal Rehmat	Li Jing	
Mohamed Rizwan Rizvi	Li Pan	
Muhammad Zubair Akba	Li Peide	
Shaheen	Li Xia	
Hakeem Babatunde	Liu Jia	
Shittu	Liu Jinping	
Muhammad Usama Salee	Liu Jinxiu	
Siddiqui	Liu Nan	

Advanced  
to FIPA

### New South Wales

Miguel Pimentel

### Victoria

Rakesh Kumar

Christopher Thompson

### Queensland

Saba Ahammad

Karina Yates

### South Australia

Samantha Sellahewa

### Western Australia

Michele Rawlins

Suzanne Ryall

### Overseas

Surulere S. Saheed

Agboyinu

Hasan Mohamed Al A'ali

Han Peng Ch'ng

### China

You Defeng

Advanced  
to MIPA

### New South Wales

Alejandro Gomez

Meneses

### Victoria

Jignesh Brahmhatt

Con Kehagias

Anthony McNamara

Nilantha Wanaguruge Don

### Queensland

Loay El Sheikh Deeb

Emma Wendt

### South Australia

Zhifeng Yang

### Western Australia

Leyen Teng

Levi Wheatcroft



**Head Office**  
Level 6, 555 Lonsdale Street, Melbourne  
GPO Box 1637, Melbourne, VIC 3001  
Phone: (03) 8665 3100  
Fax: (03) 8665 3130  
Email: natoffice@publicaccountants.org.au

**Australian Capital Territory**  
Level 1, The Realm  
18 National Circuit, Barton, ACT 2604  
Phone: (02) 6198 3362  
Fax: (02) 6198 3232  
Email: actdivn@publicaccountants.org.au

**New South Wales**  
Level 12, 6 O'Connell Street Sydney, NSW 2000  
GPO Box 4231, Sydney, NSW 2001  
General manager: Claire Kasses  
Phone: (02) 8262 6000  
Fax: (+61) 2 9251 5201  
Email: nswdivn@publicaccountants.org.au

**Queensland**  
Level 11, 300 Queen Street, Brisbane  
GPO Box 2578, Brisbane, QLD 4001  
General manager: Barbara Selmer Hansen  
Phone: (07) 3034 0900  
Fax: (07) 3229 8586  
Email: qldivn@publicaccountants.org.au

**South Australia & Northern Territory**  
Level 2, 422 King William Street, Adelaide 5000.  
GPO Box 6368, Halifax Street, Adelaide 5000  
General manager: Paul Zenkteleer  
Phone: (08) 8227 2255  
Fax: (08) 8227 1211  
Email: sadivn@publicaccountants.org.au

**Tasmania**  
Level 1, 116 Bathurst Street, Hobart, TAS 7000  
General manager: Jon Burns  
Phone: (03) 6235 0600  
Fax: (03) 6231 6076  
Email: tasdivn@publicaccountants.org.au

**Victoria**  
Level 6, 555 Lonsdale Street, Melbourne  
GPO Box 1637, Melbourne, VIC 3001  
General manager: Jon Burns  
Phone: (03) 8665 3150  
Fax: (03) 8665 3151  
Email: vicdivn@publicaccountants.org.au

**Western Australia**  
Level 4, 1008 Hay Street, Perth, WA 6000  
PO Box 7309, Cloisters Square, WA 6850  
General manager: Kerrin Simmonds  
Phone: (08) 9474 1755  
Fax: (08) 9474 2911  
Email: wadivn@publicaccountants.org.au

publicaccountants.org.au  
Freecall 1800 625 625

# TALK TO US ABOUT INSURANCE

IPA INSURE PROVIDES COMPETITIVE, QUALITY INSURANCE PRODUCTS FOR IPA MEMBERS AND THEIR CLIENTS:

- Professional Indemnity Insurance
- Public Liability Insurance
- Directors and Officers Insurance (D&O)
- Cyber Insurance
- Business Pack Insurance
- Tax Audit Insurance
- Personal Accident & Sickness Insurance
- Corporate and Leisure Travel Insurance

We are here to help you; ask us about our full range of insurance solutions. Save time and money; get expert advice from the team at IPA Insure.

### GET A QUOTE

Call: 1300 413 143

Email: enquiries@ipainsure.com.au

Visit: publicaccountants.org.au/IPA-Insure

AB Phillips Pty Ltd T/as IPA Insure  
(ABN 91 007 075 934 ; AFSL 234457)

# DISCOVER THE EASIER WAY TO GO DIGITAL

Receipt Bank is the easiest way to get the pre-accounting data you need from your clients with no paper, no chasing clients and no data entry.

- Digitise receipts and invoices instantly, with our client-friendly mobile app
- Say goodbye to manual data entry with award-winning data extraction technology
- Manage your records easily with our secure, searchable online filing cabinet

MAKE YOUR DIGITAL TRANSITION **WITH RECEIPT BANK**

[ReceiptBank.com/IPA](https://ReceiptBank.com/IPA)