

Public accountant

THE OFFICIAL JOURNAL OF THE INSTITUTE OF PUBLIC ACCOUNTANTS

GEORGIE HARMAN

The woman behind Beyond Blue

We spoke to Georgie Harman about the state of Australia's mental health, the importance of community, conversation, understanding and inclusion

PAGE 28

INSIDE HEAR ME ROAR

We celebrate women's achievements by introducing you to local female entrepreneurs rocking the small business space

PAGE 40

EXCLUSIVE MASTER OF ENTREPRENEURSHIP

Professor Charles Matthews from the University of Cincinnati speaks about the changing nature of work and how we should prepare

PAGE 36

PLUS THE KEY TO A SUSTAINABLE FUTURE

Global futurist and innovation strategist Anders Sörman-Nilsson talks about the ins and outs of creating a more sustainable business

PAGE 48



ALSO
IPA NATIONAL
CONGRESS AND
MEMBER AWARDS
PAGE 10

GIVE HAPPINESS TO SICK KIDS

Ruby, age 8 during treatment



Ruby in hospital with Captain Starlight

Since being diagnosed with cystic fibrosis as a newborn baby, hospital is a big part of Ruby's life. Despite the many painful procedures she has to endure in hospital, Ruby looks forward to going back, so she can have fun with Captain Starlight.

Happiness plays a vital role in helping Ruby cope with her illness and treatment. Your donation can give happiness to sick kids like Ruby.

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CONTENTS
Inside this issue

Feb/Mar.



Editor's letter

Welcome to February/March edition of *Public Accountant* magazine. This time we bring you our interview with the CEO of Beyond Blue; we continue our coverage of IPA's Small Business: Big Vision event; we delve into the topic of sustainability; and celebrate International Women's Day!

We kick things off with an amazing woman and wellness advocate Georgie Harman! Ms Harman decided to apply for the CEO role at Beyond Blue having recognised the immense responsibility involved in heading an organisation that was key to saving lives Australia-wide. Having had her own experiences with depression, this job has made her even more conscious of the things she needs to look out for in herself.

Next, we introduce you to the master of entrepreneurship Professor Charles Matthews from the University of Cincinnati. He talks about the changing nature of work and what you, as a small business owner, can do to ensure you continue to thrive and grow.

We also celebrate International Women's Day by introducing you to local female entrepreneurs rocking the small business space. This year's theme #EachForEqual calls for us to unite in challenging stereotypes, fighting bias, broadening perceptions, improving situations and celebrating women's achievements.

And as usual, we have more. Much more.

We bring you a piece authored by futurist and innovation strategist Anders Sörman-Nilsson; we delve into the world of a modern CFO; and we celebrate the IPA's wonderful members that make this organisation truly unique.

Happy reading!

I hope you enjoy the read and tell us what you think by emailing maja@momentumconnect.com.au.

Maja Garaca Djurdjevic
Content manager

Visit publicaccountant.com.au and join the conversation.

Public Accountant magazine is now available to read online on the Public Accountant digital hub.



28

Georgie Harman: The woman behind Beyond Blue

Georgie Harman, the CEO of Beyond Blue, is driven by a determination to do better for people and their families using a community heart and a business head

by Maja Garaca Djurdjevic

Regulars

- 04 President's report
- 06 From the CEO
- 57 Business building
- 69 Technical
- 78 Register of members

Profile

52 Leader profile

Born and raised in the UK, Mark Burgess dreamt of becoming an astronaut until, at the age of 10, he realised that the UK doesn't have a manned space program, so his dream shifted to a career in aerospace

54 Member profile

A light-hearted comment would end up becoming Rachita Bhatia's future. It all started nearly two decades ago when she decided to break family tradition, move to Australia and pursue accounting



< 36

20 minutes with Dr Matthews

Professor Charles Matthews from the University of Cincinnati joined *Public Accountant* at the IPA Deakin Small Business: Big Vision event, where he discussed the steps we need to take to prepare for the changing nature of work



> Hear me roar

Let's actively choose to challenge stereotypes, fight bias, broaden perceptions, improve situations and celebrate women's achievements

40



< The key to a sustainable future

Global futurist and innovation strategist Anders Sörman-Nilsson talks about the ins and outs of creating a more sustainable business. He warns that those who refuse to get onboard, will certainly be left behind

48



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UPCOMING IPA EVENTS

FIND THE FULL LIST OF UPCOMING EVENTS AT
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2020WACONGRESS](http://PUBLICACCOUNTANTS.ORG.AU/2020WACONGRESS)

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2020TAXCRUISE](http://PUBLICACCOUNTANTS.ORG.AU/2020TAXCRUISE)

NZ TAX RETREAT 24 - 26 MAY

We're headed to Queenstown. The two day program will provide delegates with a forum to meet like minded professionals in stunning settings overlooking the majestic Lake Wakatipu.

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FIND OUT MORE AT
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2020NZTAX](http://PUBLICACCOUNTANTS.ORG.AU/2020NZTAX)

Congress and board renewal

| Damien Moore FIPA FFA |

Happy new year and welcome to the new decade

AS THIS is my first report in *Public Accountant* for 2020, I am pleased to advise that I have been re-elected as president for the next 12-month term. This is a great privilege and honour. I am grateful for the support of my fellow board members.

I am also pleased to announce the appointments of new board members, Luckmika Perera (Victoria) and Alexandra Korfiatis (NSW), who bring additional skill sets to the board. I would like to thank Tony McCartin, Wendy Leegal and Michael Schaper, who concluded their terms on the board following the AGM. I would like to thank them for their long-standing support for the IPA and wish them well for the future.

The year has already started with a buzz of activity. We are engaging in a key government review around

the effectiveness of the anti-money laundering and counter-terrorism financing (AML/CTF) regime in Australia. The IPA believes strongly that we have an obligation as a profession to do all that we can to play our critical role (to borrow from a sporting term) to mount a comprehensive offensive attack and become a first line of defence in combating the flow of funds of potentially heinous and illegal activity.

The IPA has submitted its annual pre-budget submission to the government, and this will be the catalyst for much of the organisation's advocacy for the next 12 months. Amongst many recommendations relating to taxation, small business productivity and a plethora of other policy issues, is the reaffirmation of working with the other accounting

bodies to advocate for a more effective and efficient regulatory framework.

It has been some years since the three professional accounting bodies have forged such an alliance on such an important issue. The three professional accounting bodies carry the collective voice of more than 310,000 members and students. The cohesive effort has also gained the support of the Financial Planning Association and the Self-Managed Super Fund Association, with the five associations singing from the same hymn sheet.

This work is based on a streamlined regulatory framework; one that removes complexities, duplication and cost. This would mean potentially that our members (and anyone who qualifies) would be able to provide strategic financial advice. We have come a long way, but we still have a long way to go.

I am looking forward to the IPA advocacy team taking on this challenge; one of many in 2020. 🙌

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****The first month free offer** is available if you apply for cover before 27 February 2020. You will not start paying premiums until one month after the commencement date of the cover. This offer is available once only per new customer and may not be used in conjunction with any other offer.

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2020 - Diligence required

| Andrew Conway FIPA FFA |

Welcome all IPA Group members to 2020, in what I think will be an exciting year and one of further collaboration. I wish you good health and prosperity for the year and the new decade that is now with us

THIS YEAR will come with both old and new challenges as we continue to extend our advocacy reach to several important policy and regulatory areas. This includes the governance structure of the ATO, compensation schemes, small business mental health, workplace relations, strategic financial advice, and anti-money laundering (AML) and counter-terrorism financing (CTF).

AML and CTF activities are areas of great concern to national and international security. Our UK colleagues have been involved in this area for quite some time, but Australia is fast coming to grips with this issue.

Accountants are in a key offensive position to help prevent such activity.

We must be diligent and raise the alarm bells, where we see the evidence

of criminal activity, particularly where illegally obtained funds are disguised as legitimate income. It is abhorrent to think that such activity may be used as a weapon of terrorism.

The Senate Legal and Constitutional Affairs Committee invited the IPA to make a submission in December and next month we will present to a Senate inquiry; notably, the Inquiry into the Anti-Money Laundering and Counter-Terrorism Financing and Other Legislation Amendment Bill 2019.

This inquiry seeks to establish a bill that would amend several acts to strengthen Australia's capability to combat money laundering and financing of terrorism. The bill would also create a new offence under the *Australian Federal Police Act 1979* of dishonestly representing conferral of police awards.

We will update you as the outcomes of the inquiry unfold.

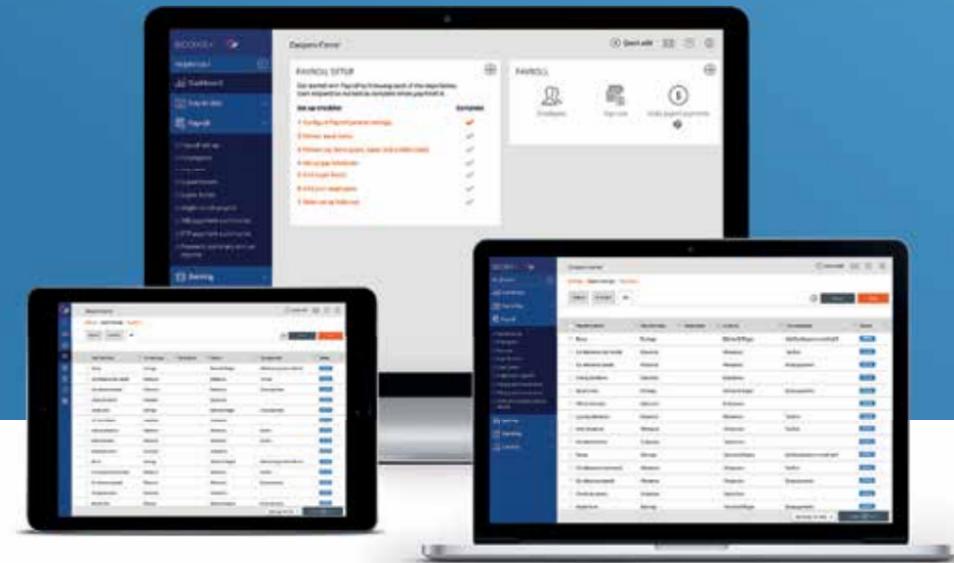
We have been working collaboratively with the other two professional accounting bodies, CPA Australia and Chartered Accountants Australia and New Zealand, plus the Financial Planning Association and SMSF Association, to drive a clear message to government that the current legislation is failing in terms of the public accessing affordable and competent, financial advice. Simply put, the Future of Financial Advice (FOFA) reforms have not worked and we are seeing a considerable gap in the advice market as a result.

We have had favourable discussions with government and while there are no guarantees, we will continue working together with recommendations for a new regulatory framework that enables our members to provide strategic advice to their clients. Again, we will keep you informed of our progress.

We have always believed in the value of a united voice on public policy issues on behalf of the profession. Put simply, when we act together, we have a much greater chance of success for the public and the profession.



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We have a stronger voice when united

THE IPA will continue the push towards maintaining the cohesion between the accounting bodies in Australia, making sure that all three are aligned on key policies.

Damien Moore, president of the IPA Group, has announced that in 2020 the Institute of Public Accountants (IPA) will be looking to maintain the relationship forged with the other two accounting bodies and to push for further co-operation.

"From a profession point of view, we want to make sure there is that cohesion. I think we need to continue this push we've had in terms of the joint accounting bodies, and the other two bodies in Australia, and making sure that we're all on the same page with our policies," said Mr Moore.

"I mean, certainly, when we've got that unified voice it makes it much easier to advocate for members. I think that's been lost a little in the past in terms of that everyone was doing their own thing. But

when we all come together, we can certainly have a much better voice and be listened to a little bit more, from a government point of view."

In November, the three accounting bodies, CPA Australia, Chartered Accountants Australia and New Zealand (CA ANZ) and the IPA, announced a tripartite lobbying effort to seek a broader and more robust solution that will enable both businesses and individuals to access the advice they need.

Speaking at the IPA congress later that month, the CEO of the IPA Group Andrew Conway said that the government is listening to "our collective voices and we need to maintain the momentum to effect change".

"We must continue to communicate to all stakeholders, which importantly includes the 310,000+ accountants and students who are members of the three bodies," he said.



\$481.5

MILLION
Google pays ATO to settle case
Source: ATO



17

SDGs set by the UN General Assembly and intended to be achieved by 2030
Source: UN



\$581

MILLION
Value of government's plan to change CGT arrangements for people living overseas
Source: government



1 July 2020

Proposed start date of new super rules designed to provide older Aussies with greater flexibility
Source: government



Kate Carnell

Government consults on unfair contracts

The federal government has launched its next phase of consultation on unfair contract term (UCT) protections. Following the March 2019 review of the current protections, the government announced the commencement of public consultation on options to further enhance UCT protections. The consultation will seek feedback on a range of options, including making UCTs illegal, attaching penalties for breaches, and broadening the coverage of small business contracts.



Google settles case with ATO

E-commerce giant Google has announced that it has settled its tax dispute with the Australian Taxation Office (ATO) with the payment of an extra \$481.5 million on top of its previous tax payments. It joins the likes of Microsoft, Apple and Facebook, which have all publicly stated that they have settled their tax affairs with the ATO, bringing the collections made against taxpayers in the e-commerce industry to around \$1.25 billion.



ATO vows to minimise disruption in 2020

ATO commissioner Chris Jordan has thanked tax professionals for their significant contribution this year, and vowed to work hard to minimise any disruption in 2020. The Commissioner of Taxation issued a special message to tax professionals. "Tax professionals are a vital part of the tax system, and our commitment to providing you with a more streamlined and integrated experience has motivated a number of changes over 2019," said Mr Jordan, referring to the rollout of the new Online services for agents.



Accountants advised to future-proof

As the evolution of technology intensifies, accountants need to start paying closer attention to how they package and price their products in order to generate the best outcomes for their business, says Mark Holton, director of Smithink. "I think one of the mistakes they're making with advisory is trying to get existing accountants who are comfortable doing compliance-based activity to be something different overnight. It does take time," Mr Holton said.



Vicki Stylianou

IPA announces focus on sustainability in 2020

The Institute of Public Accountants (IPA) believes that accountants have an important role to play in influencing the development of a more sustainable society, and will be releasing an e-book to guide their journey. The IPA has announced it will focus on sustainability in 2020, with the goal of having it permeate everything the body does, going forward. In 2020, the IPA will be looking to build awareness, mindset and culture necessary to breed a more sustainable environment.



IPA to push for review of ATO governance

The Institute of Public Accountants has a full agenda for 2020, but among its priorities is a push for a review of the governance structure of the Australian Taxation Office, said the CEO of the IPA Group Andrew Conway. "The rationale is that it's not meant to be disrespectful of the incumbent, Chris Jordan, but the Commissioner of Taxation is an immensely important and increasingly powerful position, and I'm not sure that having a single person at the head is sensible," said Mr Conway.

IN THE MEDIA

The IPA has actively engaged with the media on a wide range of important and pressing issues.

ATO audits

"The larger taxpayers always attract a lot of focus but they're reasonably compliant. When the ATO starts looking elsewhere, and the focus starts moving to other taxpayers, the ground is more fertile." [Tony] Greco said better use of data analytics and data matching increased the risk for taxpayers doing the wrong thing.

The Australian Financial Review

Combined lobbying

IPA Group chief executive, Andrew Conway said the shared goal was to reduce the regulatory burden on members so financial advisers could be retained in the industry. "For the first time in the best part of two decades we are at a risk of creating an advice gap in the market," he said. "This - coupled with the new education and professional standards under FASEA, the current review of the TPB and the implementation of the recommendations from the banking royal commission - means there is a very real threat of added complexity."

Money Management

ATO outages

The IPA's Tony Greco said lobbying government directly would be the most likely next move. "We thought this was an opportunity to address the limitations of the scheme and how it doesn't recognise non-economic loss, how it doesn't address tax administration stakeholders, but it seems like this inquiry hasn't helped our cause," Mr Greco said.

Accountants Daily

Large cash payments

"It's hard to defend not having this measure in place when there is so much cash in the system - it just belies belief," said Institute of Public Accountants general manager of technical policy, Tony Greco.

The Age

SMSF licensing regime

"We are having ongoing

conversations, which is about gathering support, and historically it was difficult to get financial planners involved, but the FPA and SMSF Association have joined with the three accounting bodies and we have a five-pronged voice to government saying this is the right way to go."

Selfmanagedsuper Magazine

ATO portal closure

"They've put in an interim step to avoid Armageddon, and that is people not being able to deal with the lodgement of the deceased estate's return," [Tony] Greco said.

Accountants Daily

Mental health issues

"Having carried out an Australia-wide road show, gathering feedback from small businesses and small accounting practices, the message we received loud and clear was that the mental health of small business has become a paramount issue," [Andrew] Conway said. "We heard of many stories of true concern; too many to ignore. Our members echoed these sentiments and as trusted advisers; they are in an inevitable position of trying to assist clients who are facing such issues as depression and anxiety."

Business Acumen Magazine

Tax return adjustments

"The picture it paints is not completely true," IPA general manager of technical policy Tony Greco told Accountants Daily. "We challenge that data on the premise that the agent community that prepares those returns are obviously dealing with a more complex subset of taxpayers who don't self-lodge. If the client provides information to that agent and those assumptions that he has based the return on are incorrect, it will go in as an agent error when it is not - it's the client who has misrepresented the factual circumstances."

Accountants Daily

The IPA National Congress 2019

FROM 27 to 29 November at the National Wine Centre of Australia in Adelaide, members from all over Australia gathered for the IPA's premier accounting event.

The event featured addresses from the Inspector-General of Taxation and Taxation Ombudsman Karen Payne, Assistant Treasurer Michael Sukkar, Reckon CEO Sam Allert and former AFL star and mental health advocate Wayne Schwass, who served as the keynote speaker.



25-27

NOVEMBER
The date for the
2020 IPA National
Congress in Canberra



UPFRONT
IPA National Congress 2019

For upcoming IPA events check out
publicaccountants.org.au/events

IPA awards

The IPA is pleased to congratulate and profile the 2019 members and practices of the year, announced at its National Congress in Adelaide in November

Queensland Practice: Eagle Tax & Accounting

Eagle Tax & Accounting was launched by IPA member of over 22 years Nola Luyten in 2017.

Ms Luyten originally started a practice with her business partner and now runs her own fully branded IPA practice, Eagle Tax & Accounting, after her business partner decided to retire.

Together with her small team, Ms Luyten provides tax, bookkeeping and management advice services to her client base, with the aim to improve their businesses and reduce their stress by taking care of their compliance-based work. She's using technology to make her practice more efficient by using a document management system and completely digitising her firm, which has had a positive impact on her clients and the productivity of her staff.

Ms Luyten herself is a very frequent attendee at IPA events, she's on the Queensland DAC and she's also been the convener of the IPA/CPA discussion group for the last 10 years. Further to this, she has always been an approachable, pro-active and friendly member.

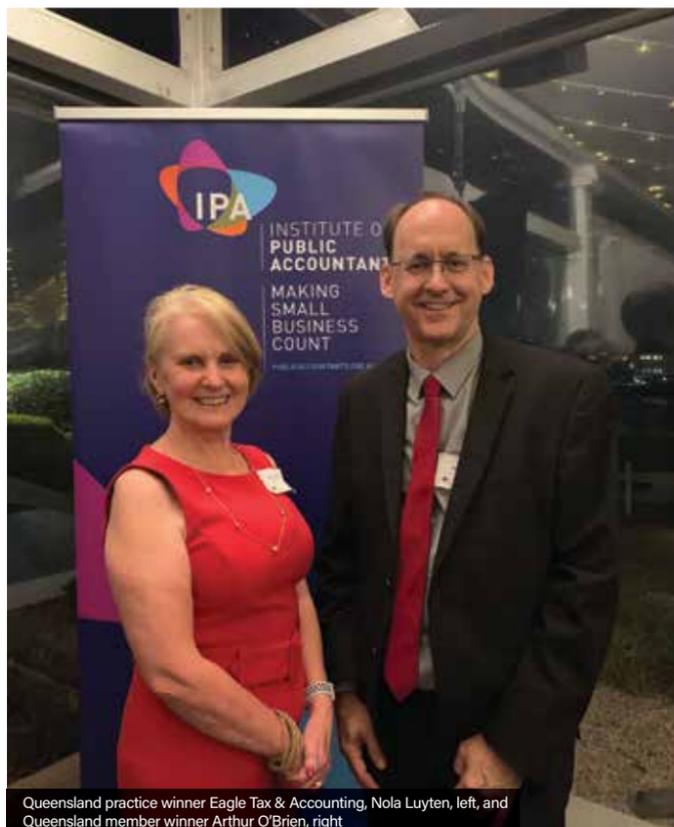
Member: Arthur O'Brien

A member of nine years, Arthur O'Brien is a Fellow of the IPA and the assistant director-general of corporate services at the Queensland Department of Child Safety, Youth and Women. This position reports directly to the director-general of the department and is responsible for the delivery of financial, human resources, legal, governance, capital works, property and procurement services.

Prior to this appointment, Mr O'Brien was the chief finance officer for the new Department of Child Safety, Youth and Women from 12 December 2017 to 3 May 2018.

Combined, Mr O'Brien has more than 36 years' experience in the Queensland government, with 20 years' experience in senior management roles. He has held a variety of senior executive positions across a number of Queensland government agencies with experience in strategic management, planning, policy, risk management, finance and business continuity, as well as leading a number of major change projects.

In 2003, Mr O'Brien was awarded an Australia Day Achievement Medallion for ongoing commitment to the provision of high-quality strategic management and policy services and exemplary ethical leadership.



Queensland practice winner Eagle Tax & Accounting, Nola Luyten, left, and Queensland member winner Arthur O'Brien, right

SA/NT division Practice: A K Tax Services

A K Tax was launched by Alison Kennedy in 2011, and as described by her it is a "suburban tax and accounting practice focused on local small businesses".

Ms Kennedy is an experienced principal with a demonstrated history of working in the accounting industry. She has been a member of the IPA since August 2010 and is a regular attendee of TAG as well as other COD sessions, as she strives to continuously update her knowledge.

The staff at the SA/NT division have always found Ms Kennedy to be friendly and highly supportive of its work.

Ms Kennedy is also highly involved in her local community. She serves as

both chairperson and finance officer on the governing council of her local school.

"It fills me with absolute joy to see my small business clients flourish and grow, especially when the flow-on effect of their success means they employ more local people and invest more in their local communities," says Ms Kennedy.

Member: Kaleem Ulah

While Kaleem Ulah has only been a member of the IPA since April 2016, in this short time he has enjoyed incredible success and growth.

Mr Ulah is a strong supporter of IPA PD sessions, he is a PPC holder, has completed the PPP program, attended numerous tax sessions including TAGs and is also a member of



SA/NT division practice winner A K Tax Services, Alison Kennedy, with IPA President Damien Moore and CEO Andrew Conway



SA/NT division member winner Kaleem Ulah

the DAC. He also supports the divisional office with students through his own networks, as well as places like Kaplan, of which he is a graduate.

Mr Ulah is also a great supporter of his community and provides valuable services to a large group of people for whom English is a second language. He employs a wide variety of staff from different ethnic backgrounds in order to be able to provide tax services to a growing international population in South Australia.

"I believe in making a difference in the lives of my clients and in educating them to follow the rules and regulations in Australia while also establishing themselves and their business and growing financially," says Mr Ulah.

27
The number of years Vladimir Varas has been an IPA member

2003
The year Arthur O'Brien received an Australia Day Achievement Medallion

19
Brooke Hepburn-Rogers' years of experience



Western Australia practice winner Trinity Accounting Services, Karen Jarvis



Western Australia member winner Donovan Nicholas Bolan

Western Australia Practice: Trinity Accounting Services

Karen Jarvis has been a member of the IPA for over 17 years and been the principal of Trinity Accounting Services (TAS) for 10 years. TAS prides itself on providing high quality service to its clients and is founded on core values of unity, attentiveness, integrity/honesty, spirit of excellence and relationship building.

TAS regularly holds workshops and seminars for its small business clients to assist them in understanding new legislation and recent tax changes. The practice is also actively involved in the community and as an organisation has sponsored six children internationally.

Ms Jarvis, herself, is heavily involved in the Mandurah community and holds the director role at the Mandurah Street Chaplains - a volunteer

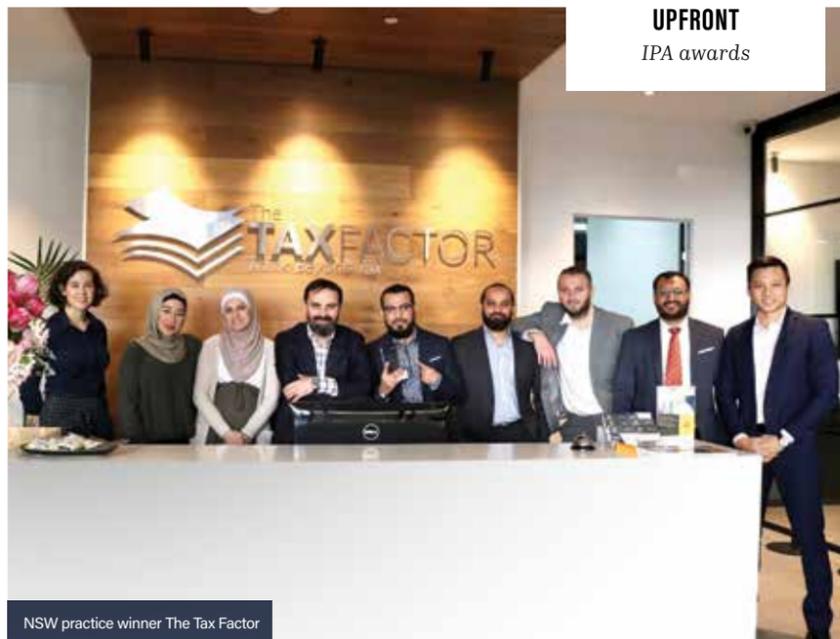
organisation. She is also on the board of Peel Youth Services, a member of Liquor Accord Mandurah Group and readily helps out the local Homelessness and Street Presence Group.

Member: Donovan Nicholas Bolan

Donovan Nicholas Bolan has been a member of the IPA for 13 years. He began his career at A I Clynk & Associates as a junior accountant 22 years ago, and has since bought out the practice.

Actively involved in the community, Mr Bolan volunteers in local clubs and donates to the local charities in his area.

Clients describe Mr Bolan as "an approachable accounting professional who is always there to field endless questions" and a "humble gentleman" who goes out of his way to help his clients.



NSW

Practice: The Tax Factor

A technically savvy firm, The Tax Factor actively sponsors charities including Ronald McDonald house, local council events and community events, and sporting clubs such as the Canterbury Bankstown Bulldogs and Paramatta Eels.

The firm was founded by CEO Bachir Zreika, who has over 20 years' experience in the industry. The Tax Factor specialises in tax, accounting, auditing and business advisory services. To better service its clients, the firm has now diversified into other services such as finance and CFO services.

The Tax Factor prides itself on its core values through diversity and inclusion, community, respect and trust, open and honest communication, leadership, commitment and accountability, independence, integrity, learn, grow and share.

Their motto, 'Think Beyond Tax', represents the way they work, recognising that yes, tax is at the cornerstone of an accountant's service, but a great accountant can look beyond the basics.

Member: Rishikesh Sapkota

Rishikesh Sapkota is a founder principal of R2M Business Group, an accounting firm servicing individuals and small business tax and rendering accounting business management services, including bookkeeping, financial statement review and analysis, cash flow management and projection, general business consulting and business formation services.

He earned a Bachelor of Accounting from Central Queensland University and a Graduate Certificate in Professional Accounting degree from the University of New England.

Mr Sapkota has a total professional style and has an extensive background in business, tax, accounting, and finance. Moreover, he is also experienced in business development and quality assurance.

Currently, he supervises a team of accountants who provide client services and has vast knowledge and expertise in small business affairs.



ACT

Practice: Foxtan Financial

A young firm, founded by IPA member Brooke Hepburn-Rogers, Foxtan Financial has built a solid base of clients from word of mouth recommendations, a testament to its growing standing in the local community.

Foxtan Financial sponsors local events and charitable organisations such as the NSW Police Association. The firm offers specialty

knowledge to clients and utilises cloud technology, staying ahead of the curve.

Clients praise Foxtan for its "superior customer service" and "unquestionable" advice and integrity.

Member: Brooke Hepburn-Rogers

Ms Hepburn-Rogers is an ambitious, forward-thinking accountant with 19 years' experience in the tax industry. She has been recognised by the accounting community



by way of nomination for a variety of accounting awards. She is heavily involved in community outreach and sponsorship of events within the Canberra region.

Ms Hepburn-Rogers is often described as a professional SMSF specialist that works extremely hard to achieve the best results for her clients. She puts in extended hours to best accommodate client meeting requests based on their individual personal circumstances.

"She is a wonderful accountant who puts her all in to helping our clients and our business grow," said one loyal client.

Victoria

Practice: TJS Accounting Co

Located in Frankston on

the Mornington Peninsula, TJS Accounting specialises in preparing income tax return, giving small business advice, GST advice and the preparation of business and instalment activity statements.

Managed by Tory O'Brien MIPA, the practice prides itself on being accessible to its clients and spending the time, one on one, getting to know their individual client needs.

Ms O'Brien is a passionate and dedicated accountant who takes great pride in working closely with her clients. A registered tax agent and member of the Institute of Public Accountants, she also holds a Public Practice Certificate.

TJS also supports the community from sponsoring

the local football club, to school athletes who require assistance, not-for-profit organisations who require advice and guidance, and to kindergartens by way of raffle prizes. Support and knowledge are provided to those who need honest, reliable and affordable advice.

Member: Vladimir Varas

Vladimir Varas joined the IPA while a student and has remained a loyal and committed member for 27 years.

He holds a Master of Commerce majoring in Accounting and Diploma in Financial Planning. He is a Fellow of the Institute of Public Accountants (FIPA), registered tax agent, senior member of the



Financial Services Institute of Australasia (FINSIA) and a specialist auditor of Self-Managed Super Fund Professionals of Australia.

Mr Varas established a successful accounting business, Autumn Leaves Accountancy, that started small in assisting candidates in the government NEIS (National Enterprise Incentive Scheme) program, clients wanting to start their own business, as well as by mentoring other accountants in running or establishing their own accounting firms.

As a means of relaxation from his challenging environment, Mr Varas obtained a licence to fly drones, which he maintains is a great icebreaker with new clients and an ongoing topic of conversation that sets his clients at ease.

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Tasmania practice winner Morrison Accounting



Tasmania practice member winner Luke Salmon MIPA PPC

Tasmania Practice: Morrison Accounting
Morrison Accounting opened three years ago with two staff and offices in the Huon Valley and in Hobart, giving both town and out-of-town clients flexibility and access to professional

accounting services. Since the practice commenced, the client base has grown and a third member has been appointed to the all-female staff. As a relatively new practice, cloud accounting has been easy to embrace, and, as a result, the practice

has taken giant steps towards becoming paperless and fully digital. The range of clients is diverse and staff endeavour to meet all their needs, from visiting elderly clients in their home, to setting up systems for small business and onsite bookkeeping. The company regularly donates to local and national charities.

Member: Luke Salmon MIPA PPC

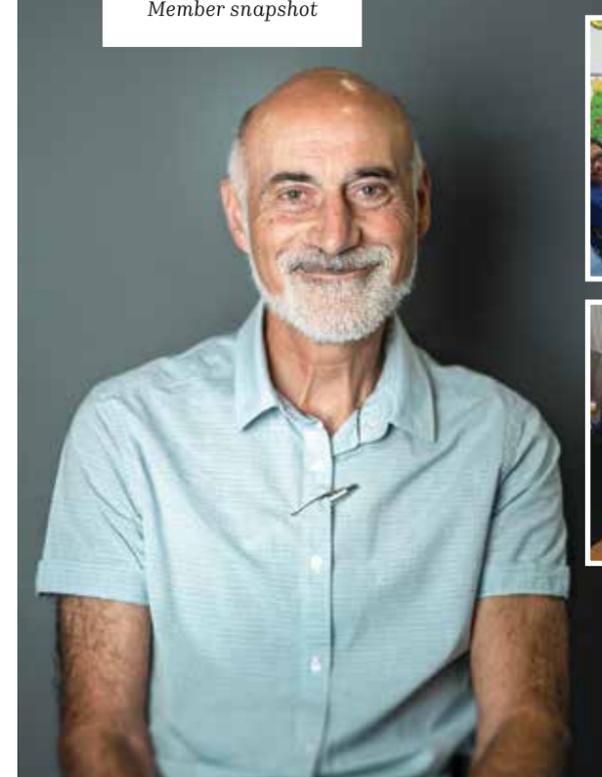
Mr Salmon graduated with a commerce degree with an accounting major in 2003 and commenced his professional career with Deloitte Launceston. He was enticed into auditing by his direct supervisor who is the current Auditor-General for Tasmania. Mr Salmon has remained committed to the audit discipline within the accounting profession ever since.

He became a full member of both the Institute of

Public Accountants and Chartered Accountants Australia & New Zealand when he completed the CA Program in August 2011. A year later, Mr Salmon took out a PPC with IPA and in 2012 qualified as a registered company auditor – becoming the only IPA member in Tasmania currently holding this status.

With the support of the IPA and members based in Launceston, Mr Salmon took the plunge and started his own solo audit specific practice in 2011 with a zero-client base. He is now running a viable small specialist practice that is growing steadily each year, such that he is close to needing additional staffing resources.

Mr Salmon has been actively involved in sport and sports administration from an early age through to the present, with cricket his enduring passion. ☺



A postcard from Vietnam

Having returned from his assignment in Vietnam, Theo Poullos recounts his work with the Saigon Children's Charity and gives advice to accountants looking to follow in his footsteps

JUST BEFORE embarking on his journey, Mr Poullos admitted to being a little anxious, before confidently exclaiming, "It's just a matter of getting in there and doing the best I can."

And now he is back, filled with exciting stories and memories to last a life time.

"The four weeks literally flew past so quickly!" Mr Poullos tells *Public Accountant*.

"It is so gratifying to contribute, in a small way, to the real help that is being given to poor, needy and disadvantaged children. In addition, Saigon Children's Charity is doing wonderful work to raise awareness and to help autistic children and their parents. Vietnam didn't have a word for autism 10 years ago!"

Mr Poullos explains that his time in Vietnam was a very hands-on experience. His volunteering was facilitated by Accounting for International

Development (AfID), founded in 2009 by Neil Jennings, a former white-collar worker.

"I got stuck into it and just reviewed procedures and policies and payroll runs for the months. So, I did as much as I could in that time with the objective of writing a report that would go to management as well as to AfID so that they had a record of all the recommendations that were being made and could see if the charity was implementing them," he says. Recounting his tasks, Mr Poullos tells *Public Accountant* that from the accounting side, the major drawback was the charity's accounting package.

"It is old, it hadn't been really set up correctly. They were making do with what they had. And that was one of my recommendations. And you'd expect this with most of the charities, because if you have limited resources, you're not going to have

the ability to have lots of separation of duties," he says.

"So, I made recommendations on helping to break up some of the duties, so that one person doesn't have control of all of the functions, which is a 'no-no' in terms of accounting."

Mr Poullos is already looking forward to his next trip. He explains that it was particularly humbling to see the change that the Saigon Children's Charity is making for disadvantaged children.

"That is one of the most satisfying things you can see. The fact that they are building 10-12 schools a year in Vietnam and taking at least 1,500 kids right through from primary school up until

1.3

THOUSAND AfID volunteers have worked in non-profit organisations throughout 50 countries



← Theo Poullos was the convener of the IPA Burwood professional development forum for some 20 years. The group has been one of the IPA's largest discussion groups in the country and attracts about 40 or more members to its meetings every second Wednesday of the month

they finish their university degree or college... it's really satisfying to be a part of it," he says.

Aside from their charitable successes, Mr Poullos says he was also very lucky to meet all the employees, who were very dedicated to the cause.

"I found all the staff at the office amazingly friendly and welcoming. One of the delights of Ho Chi Minh City (Saigon) is the terrific food that awaits you at every turn," he says.

"A nice fringe benefit of the assignment was that the staff introduced me to a new eatery for lunch or dinner virtually every day! Not only was the food excellent but for us Westerners, it is also incredibly cheap."

He encourages interested accountants to try their hand at volunteering, which not only benefits the community or organisation they support, but also increases their personal wellbeing. ☺

"THE INCREASE IN COMPLAINT NUMBERS WE ARE WITNESSING AT AFCA INDICATES THAT THERE IS STILL WORK TO BE DONE BY FIRMS TO IMPROVE THEIR PRACTICES AND RESTORE PUBLIC FAITH IN FINANCIAL FIRMS"



AFCA will continue to focus on member engagement to help firms to enhance their own internal dispute resolution procedures."

Looking beyond

Mr Locke said he is proud of the significant milestones the authority and its people has achieved.

"Establishing AFCA as a new organisation and handling a 40 per cent increase in complaints was never going to be easy and we are still improving the way we operate," he said.

"I am very proud of the AFCA team and what has been

achieved so far. I am fortunate to work with a great team of people who are professional, passionate about fairness and independence, and who care about our customers."

AFCA has also been in a major growth phase of staff to meet demand. Towards the tail end of last year, the authority recruited Australian Taxation Office assistant commissioner Justin Untersteiner as its chief operating officer, former ASX general manager of enterprise compliance Anna Campbell to be its general counsel, and former director of Victoria's Metro

Trains, Rob Guest, to lead its customer service and resolution division.

The recruitment drive doesn't stop there. In November, AFCA announced a new leadership position of lead ombudsman for systemic issues and remediation as it continues to raise standards and minimise consumer harm.

Finally, AFCA launched the first leg of its Financial Fairness Roadshow to promote its service across the country, something Mr Locke said has been "a great success" and will continue into next year.

"So far we've been to 26 locations across Tasmania, Victoria, the ACT and regional New South Wales, where we've spoken with more than 7,000 people," he said.

"We plan to tour the rest of the country in the first half of 2020."



Adrian Flores
features editor, ifa

AFCA turns one

The one-stop shop for financial complaints has now been around for one year. What has it achieved, and what is next on the horizon?

| by Adrian Flores |

IT HAS been a very busy 12 months for the authority that was the product of a consolidation of former complaint-handling bodies the Financial Ombudsman Service, the Credit and Investments Ombudsman and the Superannuation Complaints Tribunal.

Since then, the Australian Financial Complaints Authority (AFCA) has held and attended more than 430

events and meetings, received more than 73,000 complaints (of which over three-quarters have been resolved), and provided around \$185 million in compensation.

Compared with the combined 52,232 complaints received by its three predecessors in the preceding 2017-18 financial year, that represents a 40 per cent increase in complaints received by AFCA.

Banks were the most complained about financial institution with 25,826 complaints, followed by general insurers and credit providers, with 14,139 and 10,327 complaints, respectively. As for the biggest issues, credit complaints, insurance claims and financial hardship were the most cited by complainants.

In relation to small business, AFCA received 3,869 complaints, most of which were about misleading product/service information.

AFCA CEO reflects

In line with what might be expected from an organisation in its first year, AFCA's main goal was to improve its recognition from consumers as an organisation that resolves financial complaints through a range of campaigns.

If early statistics are anything to go by, AFCA is very much achieving this

goal, with more than 155,063 calls to its consumer line, with an average 613 per day, as well as 1,506,283 visits to its website.

AFCA chief executive and chief ombudsman David Locke said its fair, free and independent service was fast becoming valued by the public and its members for how it approaches dispute resolution.

"Every day we continue to hear from people who are dissatisfied with the way their financial firm has handled their complaint. These matters have not been resolved internally by financial firms and so the individual then brings their complaint to AFCA," Mr Locke said.

"We take our commitment to fairness and independence very seriously, and where possible we encourage the financial firm and complainant to resolve the matter among themselves. The statistics show that this happened with 70 per cent of all claims resolved in the past 12 months.

"Still, the increase in complaint numbers we are witnessing at AFCA indicates that there is still work to be done by firms to improve their practices and restore public faith in financial firms.



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For more information or to register, please visit PUBLICACCOUNTANTS.ORG.AU/2020UKDELEGATION

THE REVIEW, conducted by former secretary of the Attorney-General's Department Robert Cornall, makes 12 recommendations aimed at improving small business access to justice and ensuring fair and independent decision making, however, it fails to address the magnitude of issues accountants face at the hands of the ATO's IT outages.

Rubbing salt into the wound, the review characterises IT outages and system failures as the norm when working with "large computer systems", despite numerous arguments to the contrary.

The three professional bodies, including the Institute of Public Accountants (IPA), have argued that the CDDA Scheme should be revisited to

allow practitioners to claim compensation for the ATO's failures, which affect their ability to provide timely tax services to clients.

The Inspector-General of Taxation expressed a similar view in the November 2018 *Future of the Tax Profession Report*, voicing its concern that the tax practitioners were left without any compensation payments for the ATO system failures and outages due to the restrictive and discretionary nature of the CDDA Scheme.

"The CDDA Scheme should either be improved or a separate compensation scheme for tax administration be created to include a right of external review of the original compensation decision," the IGT said.

The review has, however, dismissed all of the

above arguments, instead noting that "they are not automatically evidence of defective administration".

"Large computer systems are subject to outages from time to time and major system upgrades can cause disruption in the normal course of business," it continued.

Not only does the review characterise the outages as the works of a "complex computing platform", it underlines that this platform is managed by the ATO's staff in conjunction with contracted service providers.

Putting it bluntly, the review said that "the actions of contracted providers are not covered by the CDDA Scheme".

The review also argues that since the system is free for tax professionals, with the ATO bearing all the costs, it is not a commercial arrangement.

Putting a full stop on the matter, it concludes that consideration of the establishment of a dedicated compensation scheme for tax administration, which includes outages and system failures as proposed by the Inspector-General, is a matter for government. So, *Public Accountant* turned to the government for answers.

IT outages are a 'constant source of concern' for accountants

Speaking to a room full of accountants at the IPA's annual national congress, Assistant Treasurer Michael Sukkar admitted that the ATO's IT outages have been a "constant source of concern" for accountants.

He even vowed to substantially improve the relationship accountants have with the Tax Office.



"My view is that the ATO, in trying to ensure that the culture of the organisation from top to bottom reflects the things that I am talking about today, [is] subject to a mechanism like a compensation claim that will be handled independently, handled objectively, where there is oversight from the minister – that will be a huge driver for behaviour from within the organisation," Mr Sukkar said.

"Thus far, we've had a CDDA Scheme that has been virtually inaccessible to any taxpayer and this is going to change and I think this is underestimated; this will

be a driver of behavioural change within the ATO in a way that perhaps even I can't fully explain now."

Addressing the issue directly, Mr Sukkar told *Public Accountant* that while he would "never profess that that review of its own is the silver bullet to all issues that advisers and accountants face when interacting with the ATO", the government's response has been "significant". He added that where "inevitably" decisions or administration from the ATO leads to a loss, "small businesses should have a realistic option of being compensated".

IPA to spearhead battle

The IPA's general manager of technical policy, Tony Greco, has said that he will be having a direct word with the Assistant Treasurer.

"What we asked for was not part of the final recommendation, but we are very encouraged by the minister's comments that potentially open the door to consider some of these issues," Mr Greco said.

"Clients of our members get relief, lodgement deadlines deferred, penalty waivers when [the ATO's] systems go down, but our members suffer economic and non-economic losses,

Key recommendations the government is committed to implementing include:

- The government will ensure that there is a greater separation of ATO officers investigating CDDA claims from the relevant division of the Tax Office. The most sensitive or complex matters will be referred to independent reviewers outside the ATO.
- More serious cases will also be escalated to senior levels for decision, with the Tax Commissioner deciding the outcomes where an independent reviewer is involved.
- For the most serious matters, there will be an opportunity for a complainant to comment on an investigator's preliminary views before a final decision is made and an opportunity to request a review of a decision.
- Plausibility will be adopted as the standard of proof in CDDA tax matters, to establish whether defective administration has occurred (instead of balance of probabilities).

- ATO procedures will require its staff to take into account a small business' financial and personal capacity to respond to a review, audit or other compliance process.
- The Australian Small Business and Family Enterprise Ombudsman will establish a new assistance function to help small businesses understand how they can pursue CDDA claims. The ATO will also work to increase awareness of the scheme.
- The ATO will review and update its guidance material to ensure that making a claim is as simple as possible and decisions are explained in succinct everyday language.
- The government is strengthening oversight of CDDA matters and accountability, by ensuring the Assistant Treasurer is well briefed on the operation of the scheme. Delegations to the ATO will reflect how the Assistant Treasurer wants the ATO to administer the scheme on the minister's behalf.

CDDA review: Plea for compensation goes unheeded

While the outcome of the review of the Compensation for Detriment Caused by Defective Administration (CDDA) Scheme has pleased small business fighting for better access to justice and fairer decision making, the plea for a solution to issues arising from the ATO's IT outages has failed to stir government

| by Maja Garaca Djurdjevic and Jotham Lian |

What happens when interest rates hit the floor?

Amid challenges facing central banks in keeping the economy open for business, zero or negative benchmark interest rates are a real possibility. Let's consider what that means for business

| by David Waters, Manuel Kapsis, Fei Huang and John Ratna |

What's happening?

On 1 October 2019, the Reserve Bank of Australia (RBA) announced another interest rate cut. It was the third cut within five months and brought the cash rate to 0.75 per cent, the lowest level in Australian history. The RBA has indicated that it is willing to take extraordinary steps to boost the economy, decrease unemployment and push the inflation rate back within the target bands. Expectations of further cuts in Australia could become a reality after the US Federal Reserve cut its benchmark rate by 25 basis points in September and again in October, making it three cuts for 2019.

Negative interest rates might sound odd, but they have been seen previously in the central banks of Switzerland ('70s and 2014), Japan (early '90s), Sweden (2009 and 2010), Denmark (2012) and the European Central Bank (2014).

What does it mean in theory?

A zero, or negative, interest rate would appear to be counterintuitive to core financial and economic principles. Theoretically, this could result in banks actually paying customers for borrowing from them.

What's the real impact?

Sadly for customers, a negative benchmark rate does not mean free money or a paid-for mortgage. Generally, banks will include a zero, or minimum, interest rate floor clause in a debt facility to guarantee a minimum level of interest earned. This is even if the bank bill swap rate (BBSW) or other floating rates become negative. However, what borrowers need to watch out for is interest rate swaps they may have used to lock in interest on their floating rate loans. Often, such swaps don't have a similar floor.

In this situation, it's possible that future cash flows for the loan and the interest rate

swap will no longer match. Critically, this means fixed loan rates might not actually be fixed: borrowers may actually end up paying more than their fixed rate. We use the following scenarios to illustrate this effect (see table titled **Scenarios – Bank bill swap rate**).

What might borrowers do?

In order to manage the exposure to negative interest rates in the situations above, borrowers can include interest rate floors along with swaps when entering into new debt agreements. For existing swaps, borrowers could purchase a floor (by way of a purchased

option) to try to manage interest rate exposures if benchmark rates did actually go negative.

What are the accounting implications?

Although rates have fallen to a record low, Australia has never actually had negative interest rates. However, if the curve begins to turn, ineffectiveness may arise from hedging relationships which, in certain circumstances, require hedge accounting to be discontinued – with consequent significant potential profit and loss (P&L) statement volatility.

Depending on a company's particular circumstances, the outcomes could be:

Continue hedge accounting but separately account for the floor interest

This means that:

- hedge accounting would not be precluded; but
- the floor derivative is marked to market through the P&L statement.

The financial instruments standard provides an example where an embedded floor on the interest rate on a debt contract is not separated, provided the floor is at or below the market rate of interest when the contract is issued. If the floor is above the market rate of interest when the contract is issued, then it should be

separately accounted for (i.e. if it is 'in the money').

Separation of the floor does not mean hedge accounting necessarily fails. However, where separation is required, the floor is accounted for at fair value through the P&L statement.

Discontinue hedge accounting

If this occurs:

- hedge accounting is discontinued prospectively; and
- existing cash flow hedge reserves remain and are recognised in the P&L statement in the normal course.

Whether hedge accounting can be achieved will depend on the circumstances.

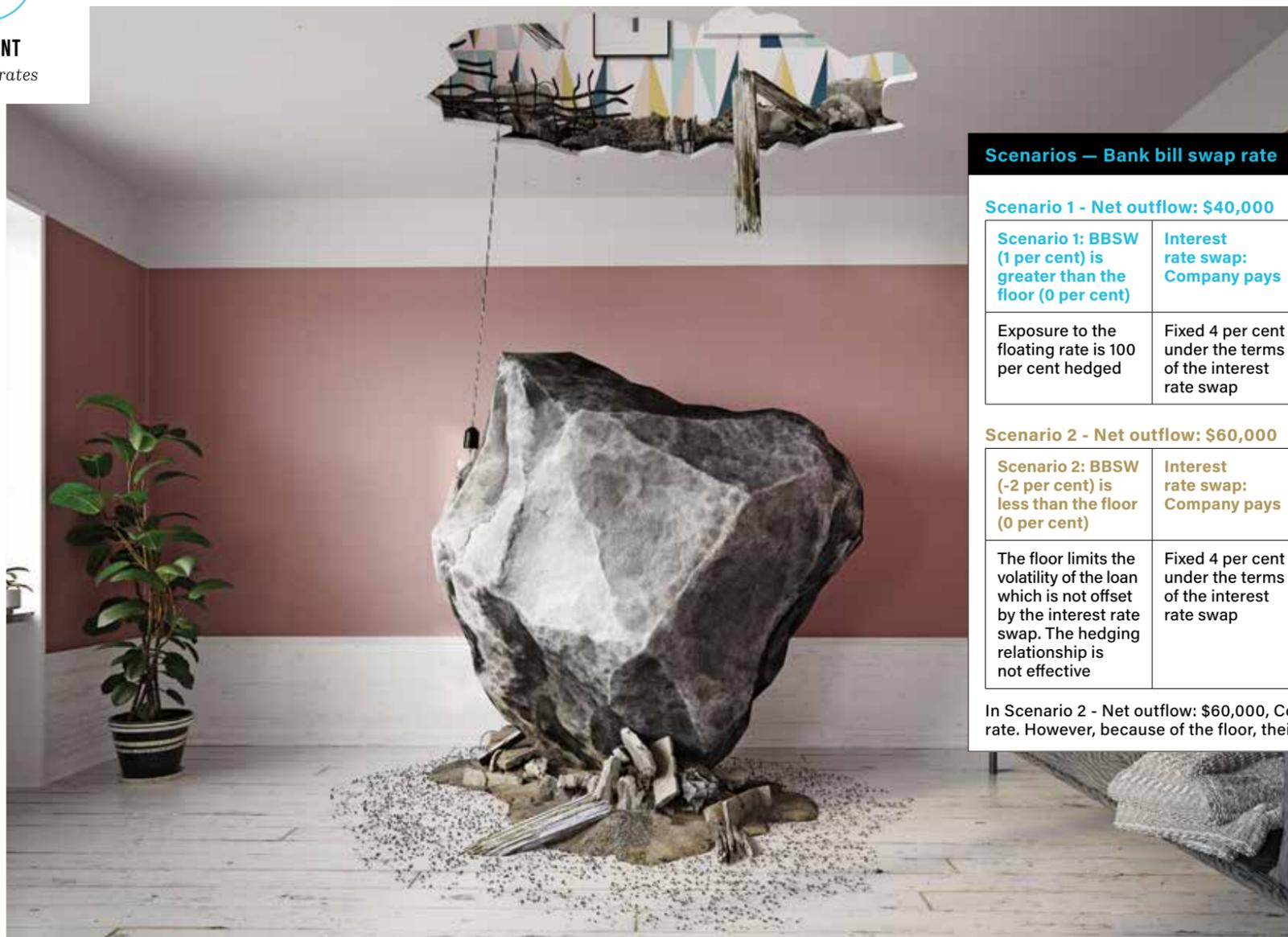
If there is a floor, which is not separated from the debt instrument, and there is no equivalent floor in the hedging instrument, ineffectiveness will result from the hedging relationship.

The extent of the disconnect between the floating rate and the floor could require discontinuation of hedge accounting where there is no longer an economic relationship between the hedged item and the hedging instrument; for example, where the variable

rate is lower than the floor for a substantial period of the hedging relationship.

What can you do to prepare?

If your business is exposed to interest rate risk, regardless of whether you are a lender or borrower, it is important to be aware of the possibility of having a zero interest rate environment and what the accounting implications might be. Check your contracts. If you do have a floor, think about whether you need an additional option or swap to protect your interest profile. 📌



Scenarios – Bank bill swap rate

Scenario 1 - Net outflow: \$40,000

Scenario 1: BBSW (1 per cent) is greater than the floor (0 per cent)	Interest rate swap: Company pays	Interest rate swap: Company receives	Interest on debt: Company pays	Net effect: Company pays
Exposure to the floating rate is 100 per cent hedged	Fixed 4 per cent under the terms of the interest rate swap	Variable 3 per cent, comprising 1 per cent BBSW + 2 per cent fixed	Variable 3 per cent, comprising 1 per cent BBSW + 2 per cent fixed	Fixed 4 per cent

Scenario 2 - Net outflow: \$60,000

Scenario 2: BBSW (-2 per cent) is less than the floor (0 per cent)	Interest rate swap: Company pays	Interest rate swap: Company receives	Interest on debt: Company pays	Net effect: Company pays
The floor limits the volatility of the loan which is not offset by the interest rate swap. The hedging relationship is not effective	Fixed 4 per cent under the terms of the interest rate swap	0 per cent, comprising -2 per cent BBSW + 2 per cent fixed	Variable 2 per cent, comprising 0 per cent BBSW (limited by the floor) + 2 per cent fixed	Total 6 per cent interest, being fixed 4 per cent AND 2 per cent (i.e. interest on debt)

In Scenario 2 - Net outflow: \$60,000, Company may have thought it was locked into a fixed interest rate. However, because of the floor, their net interest is actually 6 per cent.

Scenario 1
BBSW is 1 per cent, so bank variable interest rate is 3 per cent

Scenario 2
BBSW is -2 per cent, so bank variable interest is 2 per cent (because of the floor)

Company borrows \$1 million from Bank at a floating rate of BBSW + 2 per cent. The loan has a floor so total interest cannot drop below 2 per cent, even if BBSW was negative. To fix its interest rate, Company also purchases an interest rate swap to lock in a fixed rate of 4 per cent. Under the swap, Company receives BBSW + 2 per cent and pays 4 per cent fixed. The swap has no floor.



UPFRONT
Wayne's world

Give fair work a go

At the IPA's national congress in Adelaide last November, CEO Andrew Conway asked member delegates what they were experiencing in terms of fair work-related issues

| by Wayne Debernardi |

OF THE 400 plus delegates, 100 per cent noted there had been an ongoing increase in demand for human resources advice. However, the majority felt ill-equipped to give that advice; they wanted more tailored information for accountants as trusted advisers to enable them to assist their clients.

Regardless of the size of your business or that of your clients, all businesses

should make themselves aware of legislation that governs workplace relations. Knowledge is power and may also help you to not walk into some of the pitfalls involved in the hiring and firing of staff. More importantly, you will want to know how to look after your staff to foster a harmonious work environment that encourages productivity and goodwill.

In speaking with a few people recently, they didn't know where to start to better understand their obligations. There also seems to be some confusion in the marketplace as to the various roles involved, particularly around the Fair Work Commission and the Fair Work Ombudsman. While both agencies have responsibilities relating to Australia's workplace relations system under the *Fair Work Act 2009*, they have different roles.

The IPA is represented on the Fair Work Commission's small business reference group, so that may be a good place to start.

The Fair Work Commission (FWC) is Australia's national workplace relations tribunal and it is responsible for:

- dealing with applications relating to the end of employment including unfair dismissal and general protections;

- dealing with applications for an order to stop bullying;
- helping employers and employees bargain and make, vary or terminate enterprise agreements;
- setting the national minimum wage and minimum wages in modern awards;
- helping parties resolve workplace disputes; and
- making orders about industrial action like strikes and lock out bans.

The FWC can't:

- investigate workplaces for breaches of workplace laws;
- provide advice on wages and conditions; and
- enforce minimum pay and award entitlements.

There is a considerable amount of information on the FWC website and well worth perusing. If you are helping a small business client, it is good to have some knowledge around the subject matter. Go to www.fwc.gov.au

The FWC also has a very helpful resource known as the Workplace Advice Service. This is a free legal assistance program facilitated by the FWC. The FWC's role is to connect employers and employees with lawyers who work at firms and other legal organisations that are completely independent of the FWC. The service is offered to individuals and small business employers and has been established because the FWC understands that

Some interesting statistics of the FWC's work

Performance snapshot



32 DAYS

median time from lodgement to conciliation in unfair dismissal applications



COMPLETED ANNUAL WAGE REVIEW

30 May 2019



30 DAYS

median time for agreement approval without undertakings

(Source: Fair Work Commission Annual Report 2018-19)

Operational performance



11,702

hearings and conferences held



31,415

applications lodged



10,974

decisions and orders published

Engagement



4.9 MILLION

website hits



146,293

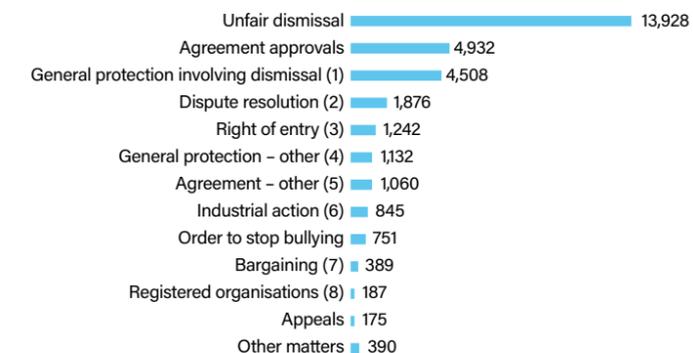
calls to infoline



3 MINUTES AND 20 SECONDS

average call wait time

Types of applications lodged



1 Applications made under s.365 of the Fair Work Act 2009 (FWA).
2 Applications made under ss.120, 526, 533, 699 and 739 of the FWA.
3 Applications made under s.512 of the FWA.
4 Applications made under ss.372 and 773 of the FWA.
5 Applications to vary and terminate enterprise agreements and transitional individual agreements.
6 Applications made under ss.266, 418, 419, 423, 424, 425, 426, 437, 447, 448, 459 and 472 of the FWA.
7 Applications made under ss.229, 236, 238, 240, 242 and 248 of the FWA.
8 Since the establishment of the Registered Organisations Commission (ROC) on 1 May 2017, most applications previously dealt with by the Commission are now dealt with by the ROC.

legal advice can reduce complexity and confusion, improve access to justice and minimise costs. There is eligibility criteria for individuals and small business employers to utilise this service, so go to <https://www.fwc.gov.au/resources/where-get-legal-advice/workplace-advice-service> for more information.

Fair Work Ombudsman

The role of the Fair Work Ombudsman (FWO) differs from that of the FWC; however, one can see how their operations might complement each other. The FWO enforces compliance with the *Fair Work Act* and is responsible for:

- providing advice and education on pay rates and workplace conditions;
- provide education about fair work practices, rights and obligations;
- promote and monitor compliance with suspected breaches of workplace laws, awards and enterprise agreements;
- inquire into and investigate breaches of the *Fair Work Act* including underpayment of wages; and
- take appropriate enforcement action.

The FWO can't:

- investigate dismissal from employment;

- make changes to the legislation, awards or enterprise agreements; and
- investigate bullying and harassment complaints.

Again, there is a plethora of information and resources on the FWO website, including pay calculators and information on working out notice and redundancy payments. It also has a series of online courses. As an employer, your small business client may be interested in these courses ranging from record-keeping and pay slips, difficult conversations, hiring employees and managing performance, through to managing employees, workplace flexibility, and diversity and discrimination.

There is also an online course on workplace laws for business advisers. More details can be found at: <https://www.fairwork.gov.au/how-we-will-help/online-training>.

The information, tools and resources from both FWC and FWO may assist you in helping your clients dealing with human resource and workplace relations issues. So, give Fair Work a go. 🙌



Wayne Debernardi
general manager, media and strategic communications, IPA



Insights from around the world

| by Vicki Stylianou |

IN A year of many unexpected experiences and privileges, I was fortunate to attend the inaugural SME World Forum in Macau in December 2019. There were people from every corner of the world bringing with them not only diverse and sometimes unique insights, but also showing that a common thread of challenges exists for many SMEs in developed and developing countries.

One of the main benefits of attending these types of events is being able to bring all of this back to Australia, to enrich our own perspectives

and to inform our work, from policy development through to commercial opportunities. As the accounting profession becomes more global in its reach and influence, it is also necessary for the IPA, and all organisations, to keep reaching beyond our borders and to assimilate and integrate with the world around us. We can never stand still.

At the SME World Forum, I was honoured to chair two panels, one on humane entrepreneurship and its impact on female entrepreneurship; and the

other on the role of education on the prosperity of SMEs.

Both of these topics struck a chord with the work of the IPA, as we have launched our sustainability strategy, with a lot more to follow; we have undertaken an extensive amount of work on gender equality; and education is part of our core business, including the development of human capital through training and education.

Humane entrepreneurship is a relatively new theory, which integrates the sustainable use of natural resources, better use of produced capital and further investment in human capital. In other words, it brings together entrepreneurship, leadership and human resource management. It has ethical and human drivers and is therefore characterised by empathy, social values, caring and 'soft' or interpersonal skills.

Many useful and interesting insights emerged from the forum, most of which can be

translated into the Australian context, including:

From France – raising awareness, especially among the younger generations, that working in an SME is a viable, worthwhile and rewarding career path. For this reason, there has been an extensive mentoring program developed. Part of this includes building social capital and knowledge capital, which can be developed over time and can bring benefits to both the employee and to the SME owners.

From Egypt – there is very high youth unemployment so innovative measures and programs are needed to address this serious problem. There has been the introduction of an entrepreneurship education program that embeds innovation and entrepreneurship into the high school curriculum. There is a focus on life skills and ensuring that students finish their education being employment ready or ready to start their own business equipped with skills to ensure their success. Another part of the education system and curriculum is to keep linking back to specific problems that students can then try to solve. While there has been some criticism of this, it has been very successful and has become part of the continuum of the learning process. This is not the traditional path of universities.

From Indonesia – youth entrepreneurship is a major focus of both government and the private sector. However, there is also a focus on choosing participants for programs who want to learn and are open and receptive to the value of education and who appreciate the role that education plays in their future success. At the same time there

“MANY USEFUL AND INTERESTING INSIGHTS EMERGED FROM THE FORUM”

is a focus on sustainability, that is, ensuring that the programs and outcomes can be replicated and continued over the longer term. Accelerators and incubators are also featured as part of the education process, with practical business coaching playing a major role in developing an entrepreneurial culture and economy.

From Hong Kong and the US – female entrepreneurs should forge their own path and not feel compelled to follow the expected path laid down by family or peers. However, it is important for female entrepreneurs to talk

and listen to their families. The conversations should not just be about getting to the C-suite, there is a lot more to being a successful business leader than the mechanics and trappings of success.

From Macau and China – in a family business you can have a great mentor and teacher, which is a useful advantage and may not necessarily be found outside family businesses. The statistics show that women are better business leaders across most indicators but don't get the same opportunities as men. We need more women as decision makers.

From the Middle East region – there is a focus on low hanging fruit in bridging the gender gap. In many developing countries the small successes can make a big difference. We should focus on financial and economic empowerment; education; and social policies to help bridge the gender gap.

From Italy – there is always a place for humane entrepreneurship, which creates a virtuous circle and is acknowledged as a good approach in many contexts.

From Vietnam – according to data and analysis presented at the SME World Forum, the country that has benefited the most from the US-China trade war is Vietnam. We were told by private sector business people and by government officials that there is a

huge need and appetite for education and training across many sectors of the economy. The opportunities for the IPA are obvious.

I asked my panellists for some parting words of advice that they would tell their younger selves or to any young person. The advice they gave: be real, be confident, work hard, don't be afraid to ask, and be happy. To all of this great advice, I would add – believe in yourself. 🙌



Vicki Stylianou
group executive, advocacy and technical, IPA

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Georgie Harman

Ms Harman has been the CEO of mental health organisation Beyond Blue since May 2014

GEORGIE HARMAN

The woman behind Beyond Blue

Georgie Harman, the CEO of Beyond Blue, is driven by a determination to do better for people and their families using a community heart and a business head. We sat down with Ms Harman to speak about the state of Australia's mental health, the importance of community, of conversation, understanding and inclusion

| by Maja Garaca Djurdjevic |

Q. The Productivity Commission recently issued its draft report following the inquiry into mental health, why is it important to look at how we as a nation deal with mental health struggles?

I think as the Productivity Commission has sort of highlighted, the cost of doing nothing is actually bigger than the cost of further investment in the mental health of our nation. We're about human beings, we're about people, but actually as a country we can't afford not to act, because as the Productivity Commission has determined the cost of mental ill health, suicide, reduced life expectancy and the health impact on the economy

are conservatively estimated to be around \$180 billion a year. So, it's a huge number.

I think what we're excited about, with the Productivity Commission inquiry, is the fact that they are looking at this through not only a sort of social lens and a human lens, but also an economic and productivity lens. They've been licensed to look across the different parts of the system that are funded by different parts of government, to look outside of the health system, into things like housing and employment and education, which are all fundamental enablers of good mental health ... And obviously to look, as the

Productivity Commission does, at fundamental system and financing reform.

Are we actually placing the right financing incentives in the right place, so that we're able to push better outcomes forward, rather than just pick people up when they're really unwell? Where can we invest downstream? So that we can actually prevent a lot of mental distress, a lot of illness and we can actually get in earlier in the communities using different types of models of support, we can actually get people recovering far quicker and help people to maintain good mental health when they do recover.

“ONE IN FIVE OF US WILL EXPERIENCE A MENTAL HEALTH CONDITION IN ANY GIVEN YEAR AND 45 PER CENT OF US IN OUR LIFETIME. IF IT’S NOT YOU, IT’S YOUR FAMILY, IT’S YOUR COLLEAGUE, IT’S YOUR BOSS, IT’S YOUR SUPPLIER, IT’S YOUR CUSTOMER”

Really, I think it’s about rebalancing the system from being one that is heavily weighted towards the crisis end. And don’t get me wrong, we need enough hospital beds, we need enough crisis services, but currently our balance of investment is skewed heavily towards the crisis end, which is very expensive and it’s where we actually don’t want people to get to.

So, this is fundamentally about people, but it’s also about productivity and economics and actually building the kinds of services and supports in the community and in systems that actually allow people to thrive and allow people to have their best possible mental health.

I think one of the biggest barriers we’ve still got is the fact that we still don’t think about mental health and mental ill health or mental illness, in the same way that we think about physical health and poor physical health and physical illnesses. We’re still held back by stigma, self-stigma

in particular. We somehow think that this is different, when in fact we’re all born with mental health just as we’re all born with physical health. We need to look after that physical and mental health, and treat that as parts of our whole selves, as opposed to thinking of these things individually.

Our brain is the most complex organ we have. It is very different to our heart and to our lungs. And sometimes it goes a bit wobbly, sometimes it’s wired differently, sometimes things happen to us in our lives that affect our thinking and our ability to cope and our psychological wellbeing.

Somehow, we think about people as being different when that does happen. But in fact, all of us, one in

five of us will experience a mental health condition in any given year and 45 per cent of us in our lifetime. If it’s not you, it’s your family, it’s your colleague, it’s your boss, it’s your supplier, it’s your customer.

Q. You recently said that with half of all mental health issues emerging by the age of 14, you support the commission’s view that we must be doing more to support children, young people and their families. Tell us more about that?

Look, half of all adult mental health conditions actually emerge by the age of 14, we know that we can, at a population level, if we really focus on the early years and supporting families in particular, we can really

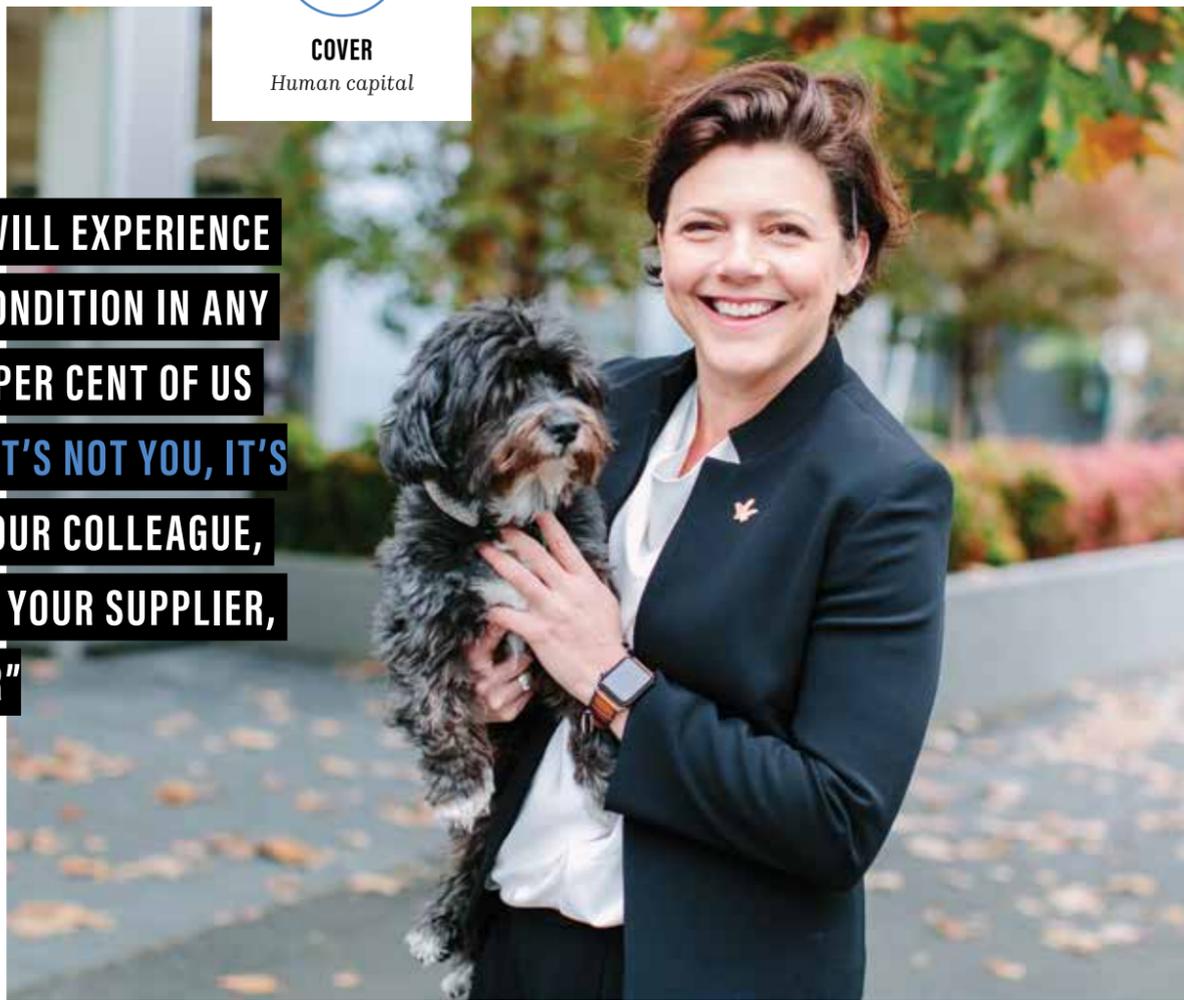
change the trajectory of our mental health as a nation.

As I said, before people get to that early adolescence or their teenage years, a lot of the brain development is formed and a lot of distress is embedded.

There is really solid research, over many decades by extremely talented people, that has shown that the first 1,000 days of life are actually really important to healthy development and healthy adulthood, not just physically but also mentally.

54

PER CENT
of people with mental illness do not access any treatment, according to Australian Institute of Health and Welfare



< Mental illness advocates
Former PM Julia Gillard AC has been on the board of mental health organisation Beyond Blue since 2014 and its chair since July 2017, having taken over from founder Jeff Kennett AC. (Photo by Craig Sillitoe)

build up the mental health of our youngest so that they can be resilient. And this is scientifically proven.

If a two or three-year-old is starting to exhibit signs of actual trauma and lack of resiliency and behavioural difficulties, we get very scared about that, but that’s when it happens and it is happening in those really early days and years. Why shouldn’t we be thinking “That family and that kid needs things like speech therapy to help them connect and play better, the family may need some support around dealing with some of the adversity they’re facing”? But somehow, we stigmatise it ourselves and we think no, we can’t do that, because that’s about kids having depression or anxiety.

But it’s not. It’s actually about making sure every kid has the best possible start in life and that includes their mental health.

So, if a child is born into a world and a family environment that is highly traumatic, they’re more likely to develop more slowly, behaviourally. They’re less likely to play well with other kids for example, they’re less likely to develop the resiliency that stands them in really good stead for the inevitable ups and downs of life.

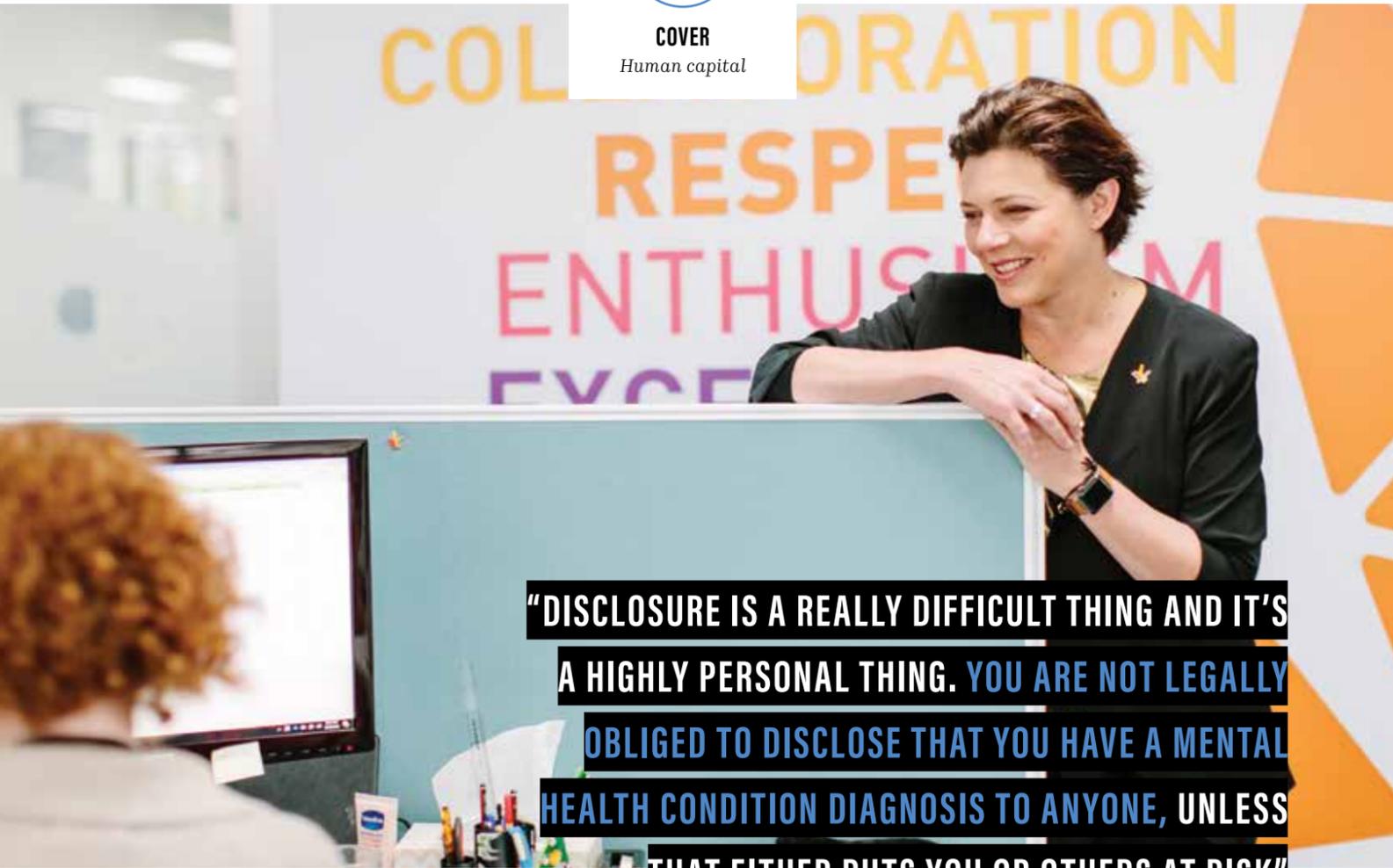
Childhood trauma, in particular childhood adversity, is incredibly

forming and really sets a lot of the pathways that we then travel down as teenagers and adults.

So if we can get in early, and if we can support parents and families who are facing adversity, if we can support the educators, our fantastic early childhood workers and teachers to actually be equipped and know the signs and symptoms when kids are starting to struggle, and know how to work with their

families and support those kids to get the services they need, then we can turn things around for families and young people.

This isn’t about medicalising kids. Go back to that first principle that says that just as we’re born with physical health or challenges, we’re also born with mental health. Sometimes, those early formative years damage our mental health or don’t give us the opportunities to really



“DISCLOSURE IS A REALLY DIFFICULT THING AND IT’S A HIGHLY PERSONAL THING. YOU ARE NOT LEGALLY OBLIGED TO DISCLOSE THAT YOU HAVE A MENTAL HEALTH CONDITION DIAGNOSIS TO ANYONE, UNLESS THAT EITHER PUTS YOU OR OTHERS AT RISK”

Q. Australia has a national mental health strategy, but how much time and energy does the government actually invest in promoting the mental health of Australians and preventing the development of mental disorders?

We’ve had a series of strategies and our strategies are fantastic, we lead the world in a lot of areas. Some of the challenges have been that we haven’t necessarily had a specific plan underneath that strategy that says these are the things we’re going to invest in to this level.

Over the years, there has been significant new investments in mental health, we have to acknowledge that. We’re one of the only countries in the

world where you can go to your GP and get subsidised mental health treatment. We see a huge amount of investment in mental health services, like Headspace and other great initiatives, and we’re exporting a lot of our innovation.

We are seen as a great leader in our thinking and our research, and our research translation into great new programs and services.

But what we’ve tended to find is that much of that investment hasn’t gone into early intervention and prevention. I think the latest figures I saw was that less than 1 per cent of the health budget is actually invested in prevention. Why don’t we do that like we do with dentistry or looking after our skin, preventing

skin cancers? We know what the solutions are, we just need to actually turn the dial slightly so that we are all playing a role in the community, as well as in services around prevention.

Q. Moving on to workplace bullying, one in two Australians experience workplace bullying. How do we deal with these shocking findings? Would you recommend that each workplace undergo special anti-bullying training?

I think training is a really important aspect in both preventing and managing workplace bullying. But really the best way to deal with it, as well as having an educated and trained and supported workforce, is to take steps to prevent

bullying and harassment from happening in the first place and to respond very quickly when it does.

So, if you look at the whole approach, workplaces should be identifying and addressing what drives bullying behaviour in the first place, setting the standard of workplace behaviour through a code of conduct or a workplace bullying policy.

And as leaders we need to be exemplars of that. We need to be talking openly about the fact that we don’t tolerate bullying and harassment, and encouraging people to report poor behaviour or instances of bullying.

Workplaces should also be aware of the financial implications of workplace



bullying and the benefits of preventing it, and the disbenefits of not doing anything about it.

Be aware of your legal obligations. I am legally responsible for providing a psychologically safe workplace for my staff, as well as a physically safe workplace for my staff.

One of the things we know works really well is to include your staff in the development of policies and procedures, not just on bullying, but actually more generally. Ask them what a mentally healthy work place looks like for them. Quite often they will come with really great, simple, inexpensive, easy to implement solutions, that we would never have thought of.

You want to create a culture where people actually do put their hand up if they’re being bullied and without fear. Ensure that those workplace policies, and your position on this, are clearly communicated,

they’re succinct and easy to understand. Actually talk about how you report bullying. Quite often that is the missing piece. People think we have a bullying policy, but I wouldn’t have the first clue where to go and who to go to if I did observe something or if I was subject to bullying behaviour myself.

Q. As for HR departments, do you believe that HR professionals should be professionally trained to deal with mental health issues in the workplace and to assist employees suffering from bullying or other forms of hardship?

I think yes, but not just HR. I am known for saying, and in saying this I upset HR people who I have a huge amount of respect for, but mental health at work is not just an HR issue. It is a business improvement issue and the whole business needs to be involved in driving the solutions.

If something is given to HR, it quite often, rightly or

Georgie’s timeline

May 2014 – Present
CEO of Beyond Blue

2012 – 2014
Deputy CEO of National Mental Health Commission

2006 – 2012
Senior public servant, Commonwealth Department of Health

2002 – 2006
Director, Department of Health and Community Service NT

wrongly, gets perceived as an issue that has reached a point that requires risk management. I think that leads us to think about mental health and people who have mental health conditions as risks, when in fact that is a really unhealthy and unhelpful way to be thinking about this. One in five employed Australians live every year and work every year with a mental health condition.

So, it’s not just about HR. HR is absolutely at the table, but all of us need to be at the table, every part of the business. And train up other people across your workplace.

Mental health first aiders, peer champions, people across the business that you know are influential, that people go to, they trust, they’re seen as one of them and can often be the first gateway into someone who is struggling.

So, train a cross section of your business in mental health first aid, and educate them in mental health and suicide prevention as well.

Q. Recently, Wellness Daily published a blog about how and when employees should disclose mental health issues to their employers. The author had quite a few comments from people telling him they were either fired or feared being fired if they were to disclose their stresses. This suggests that the issues surrounding mental health are still very much stigmatised, how do we deal with this?

I think that is really true unfortunately in too many cases. But I honestly believe that things are improving. I’ve been working in this space at Beyond Blue, working with a lot of businesses and a lot of workplaces, and I’ve seen quite a considerable shift in the last five years in particular. So, I think we have cause to be hopeful, but we are not there yet. I absolutely acknowledge that.

But disclosure is a really difficult thing and it’s a highly personal thing. You are not legally obliged to disclose that you have a mental health condition diagnosis to anyone, unless that either puts you or others at risk. If you’re able to continue to work and perform the duties of your role, you’re not obliged legally to let your employer know.

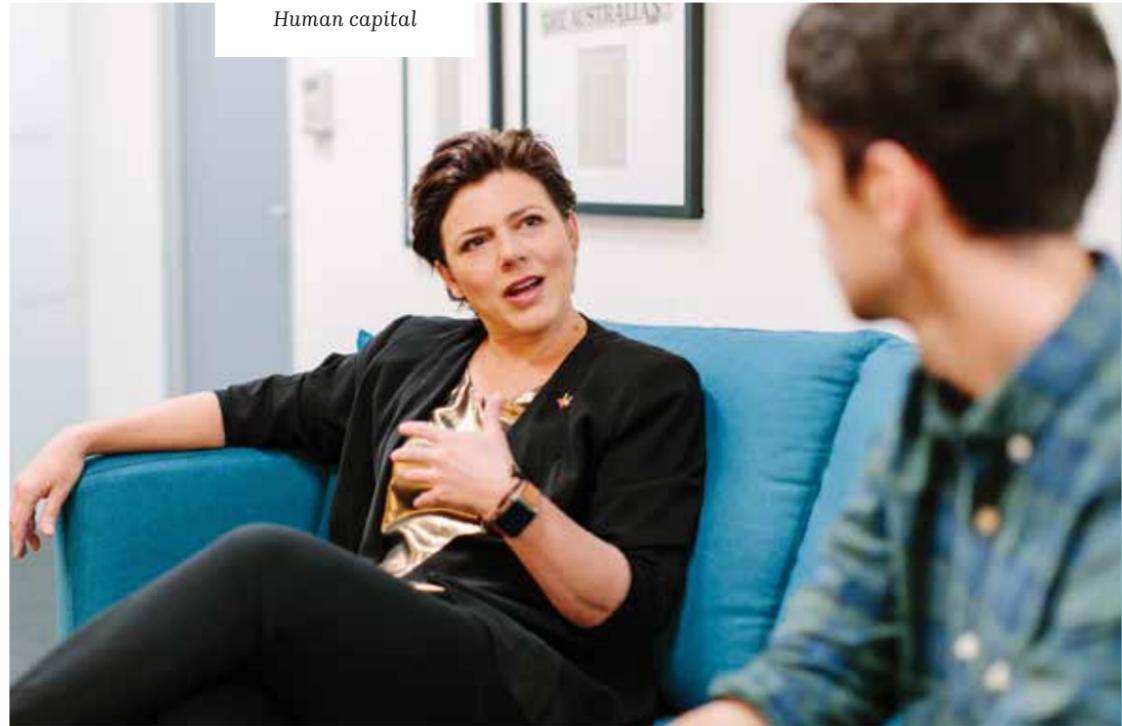
Now, having said that, if we really think about this as trying to create a shift in the way we act around mental health at work, we want to be getting to a stage where disclosing that you have depression is no different to disclosing that you have diabetes or heart disease, or you've been diagnosed with cancer and you need to undergo treatment.

We want to get to that point where people don't even blink, which we don't with cancer, we just go "Oh, I'm so terribly sorry to hear that, what can we do to support you?" And that person is not thought of as any less capable at their job than they were the day before disclosing their cancer diagnosis. That's where we want to get to.

But, unfortunately, people are very fearful of doing that, but I think it is changing. One of the things that we've got on the Beyond Blue Heads Up website is a disclosure tool, that anyone can use. It is completely free and it helps a person consider a whole range of context [and] environmental issues. What kind of manager have they got, have they got trust in that person, is it really necessary to disclose, or if in fact disclosing would be helpful to that individual?

Hiding something is actually incredibly stressful and takes a lot of energy, especially if you're not well. So sometimes, disclosure is actually incredibly helpful for the person, because it opens up a conversation with your employer.

Ultimately, we want to get to a point where this is not even a question. When someone becomes unwell, they say "Hey, I'm struggling



a bit" and they're not discriminated against, they don't lose their jobs and they don't get overlooked for promotions or be seen as less competent as a result of something that is incredibly common.

Q. Let's turn to mental health and small business. Running your own business often leads to psychological distress. How can we support our small business owners, particularly ones based in a country setting where the elements amplify the struggle?

We've been doing a lot of work with small business and a lot of other organisations are too, because they're not only employing millions of Australians, but also, they don't have HR departments.

They are facing exactly the same issues as a business of any size and quite often their situations are very unique and they're under a lot of pressure. As you say, in drought affected areas there

is an incredible amount of stress for individuals. We need to really cater our support, and advice, and the kind of services that we give small business.

So, we've actually created a guide, *Supporting small business owners to improve their mental health and wellbeing at work*, and we've done that very deliberately because if a small business owner's mental health is not good, then the whole business suffers. It's a bit like putting your oxygen mask on first. As a person around whom your whole



Need someone to talk to? Take the first step. Give Beyond Blue a call any time to talk with a trained mental health professional. Call 1300 22 4636

business is built, if you're not good, yourself as the owner, everything else will start to be affected.

So, really, the guide is not even targeted at small business owners themselves, it's actually about creating that support structure around that person. So, it's for people who are in constant contact with small business owners, their friends and family, business advisers, accountants, bookkeepers, tax agents, industry associations. How do we get them to equip themselves to look out for the person who is running a small business?

How do those advisers provide that support without obviously being a trained counsellor or a clinician? That guide includes practical tips on how to provide immediate support, how to recognise poor mental health, how to have a good conversation with someone you're concerned about.



Q. And lastly, are you OK? Doing this sort of work, I am sure you are often exposed to stories of hardship and grief. How do you separate work from your personal life/emotions?

It's a really lovely question to get asked. And people do ask it of me. It's something I have really recently thought particularly about, because I am very passionate about what I do, I love my job, I get a lot of enrichment and joy out of my job.

People often say to me, "How do you do your job, it must be very sad?" And yes it is, of course I hear and I talk to and I am constantly exposed to stories of great hardship and tragedy, but also I am exposed to and I hear about and I connect with people who have got

the most incredible stories of recovery.

It's about hope. Quite often, their recovery and coming back from a very dark place has started with contact with Beyond Blue. Reaching out, even if it's just coming to our website and just realising that the feelings they've got are not normal, but they're really common and treatable, and then finding their way through to support via us to a GP or online therapy or by calling our support services and speaking to one of our counsellors.

For me, every one of those people that I have had the privilege of hearing, of having them share their stories with me, is an incredible privilege. For all of those people it started

with a conversation whether that was with an online counsellor, or a GP, or a mate or a loved one, or a teacher, or a complete stranger on the end of a phone. And their journey to recovery started with recognising that something wasn't quite right, realising that they weren't alone and getting connected to support and services.

I think of Beyond Blue as a big blue door. Millions of Australians contact us. Millions of Australians know about us and that comes with a great responsibility, but also a great privilege.

And when I thought about whether or not I wanted to apply for this job, I asked a few people and they said, "Georgie, of all the people we've met over the years, Beyond Blue is often the

organisation that they say 'I wouldn't be here if it wasn't for Beyond Blue'". And I've found that to be true every day of every year I've worked in this place. But look, there are days when I need to be careful and I need to look after myself. I have got good people around me, good networks around me. I've had my own experiences with depression and this job has made me even more conscious of the things I need to look out for in myself. How to deal with stress, for example. Physical exercise is a very important part of keeping myself well. I've learnt a lot in the job as well about myself. I am not immune, just like none of us are.

Thank you for asking that question. 🙏

Dr Charles Matthews
professor of entrepreneurship
and strategy at the
University of Cincinnati

20 MINUTES WITH DR MATTHEWS:

The master of entrepreneurship

Professor Charles Matthews from the University of Cincinnati joined *Public Accountant* at the IPA Deakin Small Business: Big Vision event, where he discussed the steps we need to take to prepare for the changing nature of work

| by Maja Garaca Djurdjevic |

Dr Matthews is an internationally recognised scholar and distinguished teaching professor of entrepreneurship and strategy at the University of Cincinnati. His teaching and research span strategy, innovation, entrepreneurship, family business, decision making and more.

He has engaged in economic development in China, the former Soviet Union and has co-authored a book on innovation and entrepreneurship.

Public Accountant sat down with Dr Matthews during his recent visit

to Australia to discuss everything from the Australian small business environment to artificial intelligence (AI) and its impact on the nature of work.

What are your thoughts on the Australian small business environment? We have heard a lot about the entrepreneurial spirit flourishing in the US, how do we compare?

It's an excellent question. It's a little difficult to do a comparison when you have a large country, but 25 million people in that large country, versus a large country with

350 million people and multiple states producing goods and services. California being one of the largest, obviously.

Points of comparison usually lie along the positive scales. A great environment for innovation is usually fuelled by three things. Firstly universities, secondly the application of that knowledge, and thirdly the infrastructure and support, such as government and private sector support.

Those three are very comparable.

Actually, the good news there is that because [Australia] is smaller, you've

got greater opportunity for impact. The second positive is it is a very supportive environment. There is a lot of good things going on in the entrepreneurship, MSME environment. While it can be difficult to navigate at times, it does exist.

Finally, probably some of the lessons that carry forward are being able to replicate, duplicate some of the ecosystem processes that have occurred, from the government through to the private sector. Even though we're a world apart, today communication technology, geographic travel technology, are better than ever.

got all these points of contact, there is more information available today at the fingertips than has ever existed before.

However, there is one danger I always like to mention when I talk about these kinds of comparisons – the Mount Everest model.

That sounds interesting.

I always ask my students, “How do you get to the top of Mount Everest?”

It invokes a lot of discussion, and what they quickly discern is that they can't just jump from point A to point B at the top. There is a lot of separate steps in between, including pre-steps. Sometimes you need to prep. If you're going to the top of Mount Everest you need to do some serious prep. So, you're doing a lot of formulation before you can get to base camp and then you're executing along the way. So, it's a series of steps, not one big jump.

We have been talking about the importance of innovation at the Small Business: Big Vision conference, how important is innovation for small business and start-ups, especially in the current setting where we have digitisation and the evolution of AI altering the nature of work?

I think one of the key points there is, innovation can be both first level innovation where you are actually creating new and innovative products and services, or it can be the application of other developed, innovative products and services.

For MSMEs, their innovation tends to be more around how they use that technology. Today the changing nature of work is more complex than ever, there is AI, virtual reality, the internet of things, big data, data analytics... So, all of these things and more come together to influence how we think about how we're doing business.

At the end of the day though we're still delivering value, we still have to create and deliver value, because the driver of any successful business is the willingness of an individual to exchange value with that company.



“INNOVATION CAN BE BOTH FIRST LEVEL INNOVATION WHERE YOU ARE ACTUALLY CREATING NEW AND INNOVATIVE PRODUCTS AND SERVICES, OR IT CAN BE THE APPLICATION OF OTHER DEVELOPED, INNOVATIVE PRODUCTS AND SERVICES”

You won't exchange value with anything that you don't find valuable, so whether it is a carton of milk, whether it's a new purse or a new computer, or just a service along the way, if it has no value to you, you won't exchange value.

The most common exchange medium is money. So, we ascribe or attach value to that. That doesn't mean that everything has to be cheap, what that means is that we are paying for the value we perceive – both real and implied?

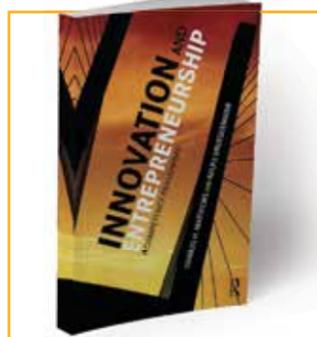
There is a high-end automobile – a BMW, a Lexus etc – that will get you to do the same point and at the same time as a

low-price car, so why would I spend \$75,000 as opposed to \$25,000? So, there are a lot of factors that play into that.

Today we see a lot of digitisation and electronics in cars, for example. A lot of people said there wouldn't be a market for electric cars and you can't make that claim until you recognise what that value exchange, or that value proposition, is.

And this changes the nature of work, too?

Yes, so the skills I learnt as an auto mechanic back in the '60s and '70s, while they're not applicable to today's cars,



Dr Matthews co-authored *Innovation and Entrepreneurship: A Competency Framework* with Ralph Brueggemann. The book presents a new model, the competency framework, for students, innovators, entrepreneurs, managers, and anyone who wants to better understand the dynamic world of innovation and entrepreneurship.

today you have the same model. If I'm trained today as a mechanic, my role has shifted from a purely mechanical role to a mechanical and digital role.

So today, I not only have to mechanically work on a car, I also have to plug it in and read the chips...

But a human is still required to do that?

Exactly... That doesn't mean you can't have artificial intelligence involved in that process, you can. And indeed, it may change to a point where you plug it in and the artificial intelligence capabilities are so advanced that they actually do the repair, that may occur. But again, that is called the changing nature of work, that is not worker displacement. If I want to stay in the automotive industry today, what do I have to do?

I have to get up to speed.

Should we fear the affects of AI on small business?

Not fear. I think fear is not really the right emotion we want to have. Although, I think it does happen, people are afraid of loss and change. Change is a tough thing.

I don't think that we need to be afraid of it, as much as we need to understand how it is affecting us, what we're doing with it and what situations it's applicable to and where it is not appropriate. We saw this with genetics a number of years ago, with cloning. The whole issue of bio-medical ethics is much different than it was 50 years ago or a 100 years ago. There are certain elements that stay the same, but there is change.

So, again, the changing nature of work, we've done a pretty good job with that really. We haven't, however, always kept up with the changing nature of education. It's tough. When online learning first came



into focus, people said, “Oh, people can study whenever they want and listen to the lectures when they want”. We saw pictures of people staying up at night and listening to whatever... No. That's not going to happen, I don't know what they were thinking.

Don't get me wrong, it works, but you're not going to just suddenly develop a 24-hour life cycle to stay awake and learn something.

So again, you have to manage that process. It's not about fear as much as how we manage that process. ☺

29

PER CENT
of senior management roles
are held by women in 2019, the
highest number ever on record
(Women in Business report)

HEAR ME ROAR

Let's all be #EachforEqual

Let's actively choose to challenge stereotypes, fight bias, broaden perceptions, improve situations and celebrate women's achievements

| by Maja Garaca Djurdjevic |

On the occasion of International Women's Day, we celebrate women's achievements by introducing you to local female entrepreneurs rocking the small business space. *Public Accountant* spoke to six women from a variety of industries about their start in business, the challenges they face, and what advice they would give other women looking to follow in their footsteps.

For Dr Jodie Lowinger, the founder of Sydney Anxiety Clinic, says it was her passion to lead and to positively impact the world that motivated her to launch her business. She was the school captain and dux, a university award winner, and had worked as a management consultant at PwC and Macquarie Bank.

Carolyn Geyer launched her accounting practice to level the playing field. She struggled with the concept that a very large organisation could negatively impact people's lives at "the drop of a hat". She used to work for what was then

Australia's largest retailer, before being made redundant. But by this stage she had gained an education and was able to consider her options for the future.

Natasha Janssens, the director of Sova Financial, founded her business following a growing frustration with the state of her clients' finance. While many wanted to do better and engage with their money, they either struggled to afford financial advice or paid a great deal for advice that didn't leave them any better off. "I finally decided I wanted the ability to be more proactive with assisting my clients and that I wanted to do something to bridge the advice gap," Ms Janssens says.

Sandra Sieb, the co-founder of Leadership Partners, became an entrepreneur by accident. Although she did a master's with a specialisation in entrepreneurship, it was pure circumstance that led her to become a business owner. She had just relocated from the US,

with two very young children, and found that her career did not fit her new environment. "After a few years focusing on becoming a mum at 100 per cent, I realised that I didn't want to 'just' be a mum, especially because I didn't want my children to be my only purpose in life – not fair for them, not fair for me," she says.

Martine Hoosen, managing director of Bookwiz Franchising, has been in business almost all of her working life. After divorcing her husband and former business partner, Ms Hoosen refused to rely on government welfare, instead she got a part-time bookkeeping job and started making plans to start her own business.

As for Samantha Dean, the founder of Blueprint HQ, she started her business to encourage accountants to have better conversations. She has been a woman in business for over 15 years, but it wasn't until recently that she really began to understand the challenges women face.



DR JODIE LOWINGER

Founder and principal clinical psychologist, Sydney Anxiety Clinic

Tell us about the deep motivators and personal qualities that have driven you to make your big idea a reality.

With 25 per cent of the population experiencing high anxiety and around eight people taking their lives every day by suicide, I have a deep motivation to help global leaders, students and parents to conquer stress and anxiety and build a mindset for high performance, mental strength, resilience and success. My personal qualities to help me achieve my vision are high

energy, deep commitment to purpose, passion and authenticity. I have a clear vision to help the world combined with a practical and positive can-do attitude and attention to detail. I have a strong loyalty to my clients and dedication to help them to achieve their goals.

And the biggest challenges women in business face?

Self-belief. When we believe in ourselves, we drive positive relationships and open up opportunities. Notice if worry is taking hold and the stories

that worry is telling you. If it is telling you that you can't do it or that people will judge you negatively for being a woman, stand up to those stories – get some distance from the worry and tip it to problem solving and action planning. Recognise what is in your control and smash it to attain your goals with an attitude of positivity. Focus on effort and the outcome will happen.

What's the best advice you've ever received as a woman business owner?

My first partner at PwC was a pivotal leader and inspirational mentor. He advised me early in my career about the power of building authentic relationships. When your interactions with others are built on a deep authentic desire to add value then the business will come. Be driven by purpose not driven by sales. So, focus on building relationships, connect at the



< My Business Awards
Dr Jodie Lowinger was a finalist for Business Leader of the Year at the 2019 My Business Awards

heart with a genuine desire to help.

What advice would you give other women looking to launch their own business?

To align your business vision to your values and to what you feel passionate about. To get some distance from any stories of self-doubt and stand up to them – they are just stories in your head. To bring it back to your heart and be guided by the heart-driven pull towards your goals. To tip the focus from fear of not achieving your outcome to effort and be proud of yourself for the effort you put in. To embrace imperfection and mistakes as a normal part of being human and to learn from them with compassion and kindness rather than beating yourself up for them.

Fear of failure is the greatest impediment to success because it gets in the way of us taking steps out of our comfort zone and when we stay in our cosy comfort zone, we don't achieve our potential. Take measured risks and learn that you are OK – this is how we achieve greatness. Utilise joint ventures and the power of building a business through networks and communities. In our digital age there has never been an easier time to be a successful entrepreneur with a passion for making a difference through building engagement with an online and face-to-face community.

CAROLYN GEYER

Principal and owner, Geyer Accountants

How did you get your start in business? Tell us about the deep motivators and personal qualities that have driven you to make your big idea a reality.

I got started in business because I struggled with the concept that a very large organisation could negatively impact people's lives at what seems 'the drop of a hat'. I used to work for what was then Australia's largest retailer. They supported my education as they 'saw a future for me in the company'. I worked for the company for quite some time and one day I was told that I was being made redundant.

However, I was one of the lucky ones. I didn't get marched out of the office by security guards like some people did. I was lucky that I had become educated and was able to look at my options for the future.

I was also lucky that I wasn't the only bread winner in the house so I decided, at that point, that I needed to work for myself so I had control of my future. I started a very small bookkeeping business.

It's funny now but I knew absolutely nothing about running a business, however I knew then, as I know now, that people are a business' greatest asset. And they should be treated so. My team now mean a lot to me and are most certainly my business' greatest asset.

And the biggest challenges women in business face?

It is definitely equality. And to that end female entrepreneurs should be celebrated the same way as male entrepreneurs. No more, no less. That is equality. Women have certainly come a long, long way but there is still a long way to go. You just need to look at the number of male CEOs versus female CEOs.

I think that the younger generations have an expectation and behaviour and narrative of equality and inclusion. As they should. The biggest challenge that a lot of younger business women face is the expectation on them to be everything. An astute business woman, a mother, a wife/partner, keep fit etc and the list goes on. My goodness. That is an enormous expectation on anyone.

The slightly older generation of women have their own challenges to overcome. Many of us have been brought up with our father being the head of the household. Or most positions of power were occupied by men. So, there is now a twofold issue. The expectation that men hold down positions of power, and women believing in themselves enough to break through the male barriers. But that has been changing for some time now and is still changing. Thank goodness. Self-belief, focus, goal setting and bravery, for us slightly older women, is crucial.



"I KNEW ABSOLUTELY NOTHING ABOUT RUNNING A BUSINESS, HOWEVER I KNEW THEN, AS I KNOW NOW, THAT PEOPLE ARE A BUSINESS' GREATEST ASSET"

And the best advice you have received?

Great question. I have a friend who is an astute business operator and I have been told a few things that I stick by. 'Just go for it.' 'You know what you need to do. Just do it. Just get it done!' However, the most important thing that happens is that I have someone who listens to me and I can bounce ideas back and forward. That is essential for me.

The one other major piece of advice I took on board was from a book. It was about goal setting and how to focus on your goals. Setting goals and strategic business plans and having the ability to focus on the goal certainly leads to success. The ability to focus on the direction you see your business going is a major business strength.

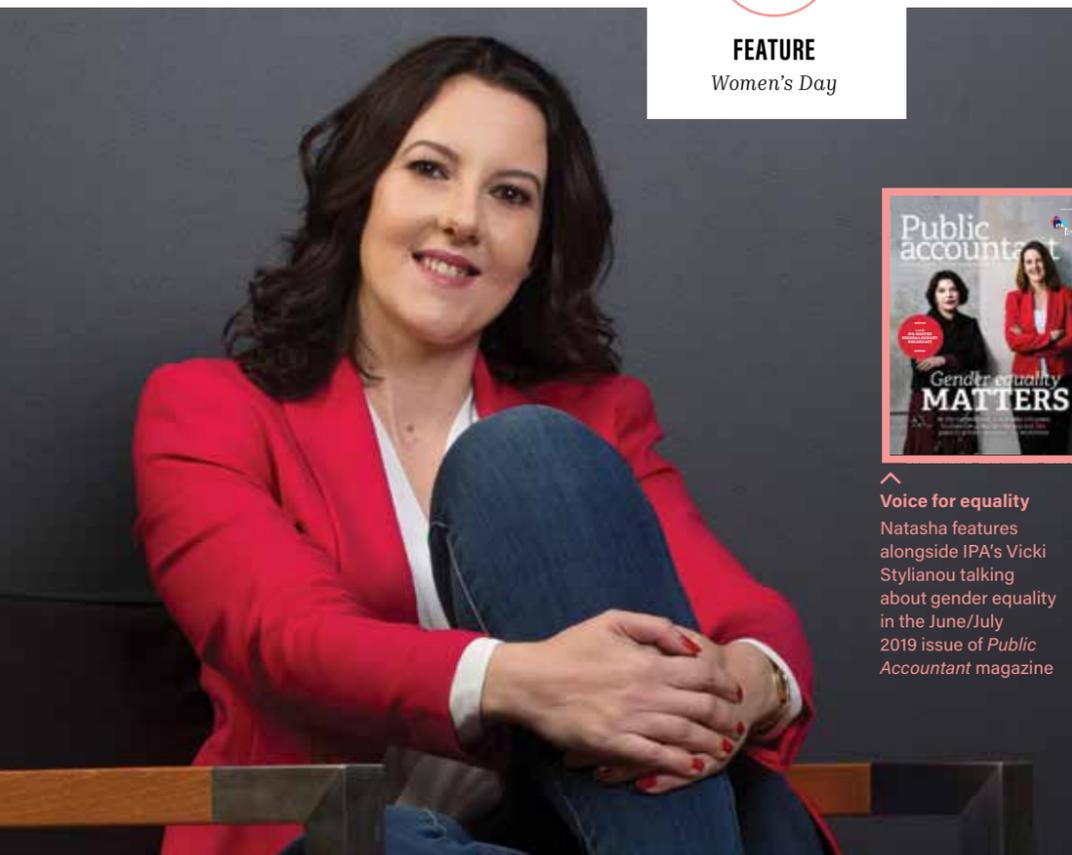
What advice would you give other women looking to launch their own business?

Once again, focus. Be dedicated. Listen to what people say but then make your own decisions.

If you don't have business experience, seek advice and listen to that advice. Surround yourself with like-minded people. Network with other small business owners, male or female.

You will always hear something that will be useful in your business. Set your goals. The goals need to be far enough away that you need to be stretched but also obtainable.

Monitor your financial information. Numbers tell you a story. And be brave! Back yourself. You know you can be successful!



^ Voice for equality
Natasha features alongside IPA's Vicki Stylianou talking about gender equality in the June/July 2019 issue of Public Accountant magazine

NATASHA JANSSENS

Director, Sova Financial

How did you get your start in business?

Over many years working with accounting clients, I grew increasingly frustrated with the state of my clients' finances. Many were completely disengaged with their money. Many had investments they didn't understand. And many wanted to do better but either struggled to afford financial advice or paid a great deal for advice that didn't leave them any better off. I finally decided I wanted the ability to be more proactive with assisting my clients and that I wanted to do something to bridge the advice gap.

Female entrepreneurs aren't celebrated enough. What would you say are the biggest challenges women in business face?

The two Cs: children and confidence! While things are gradually improving, women still remain the primary caregivers for children. This can make it really tough to get a business off the ground especially with young children who are often being sent home from childcare with the latest bug.

With a business being in the early stages and often not profitable immediately, it is all too easy for women to value their partner's time over their own and therefore

be the one to take time off work to care for the children. I went through this internal battle myself, and it made it incredibly difficult to get the business off the ground.

It took a conscious effort for me to change my thinking and look at what my time would be worth once the business is fully established, and realise the importance of valuing my time just as much as I value my husband's. We then made the conscious effort to share childcare responsibilities and co-ordinate them jointly around both of our work commitments.

The second challenge is confidence. There is no doubt that as women we are only too good at being overly self-critical, which can erode our self-confidence. Many businesses around the country are facing a particularly tough time at the moment with low levels of consumer confidence and spending, which can make it easy to question your

own business decisions and abilities if your business isn't doing as well as you think it should. The key to combating this, in my experience, is to network with other business owners and openly share the challenges you are facing. You will soon come to realise that it's not just you who is doing it tough.

What's the best advice you've ever received as a woman business owner that's impacted your success?

"You've got this. Keep doing what you're doing." There have been so many times where I have questioned my own strategy and abilities, times where I have wondered if I am throwing away good money after bad in the pursuit of my vision because I was busy comparing a start-up with an established business.

Having mentors around me who I could check in with my ideas and who could offer practical advice to achieving a particular outcome and who know from personal experience how long it takes to build a successful business, has been the biggest thing in keeping me going and helping me to achieve new milestones.

What advice would you give other women looking to launch their own business?

Back yourself. Don't let the fears of "what if it doesn't work" get in the way of you giving it a try. Look the worst-case scenario dead in the eye so that you have a fall-back plan, and then go forth and give it all you've got. Be sure to surround yourself with good mentors – in particular people in business who have been where you are now and who can share their experience with you and support you.

SANDRA SIEB

Co-founder, Leadership Partners

Tell us about the deep motivators and personal qualities that have driven you to make your big idea a reality?

Although I did a master's with a specialisation in entrepreneurship, I became an entrepreneur by accident! We had just moved from the US, we had two very young children and my previous consulting career didn't fit with that new environment where we had no support. It was also not the life we wanted to have anymore.

After a few years focusing on becoming a mum at 100 per cent, I realised that I didn't want to 'just' be a mum, especially because I didn't want my children to be my only purpose in life – not fair for them, not fair for me.

I unfortunately can't remember how the idea of becoming a coach started but when it did, I looked into it and decided to retrain. From the very first day of my training, I realised I had finally found 'what I wanted to do when I grew up'!

Now that I think of it, I actually never considered working for a company as an internal coach or for another coach. I guess it was partly because I didn't have the network of contacts here but probably more importantly because my husband was an investment banker and was very busy and my children were still

little so flexibility was essential for me.

In terms of my motivators, I guess being free was always a big driver. I always say that you would have to pay me a fortune to go back in the corporate world!

Your concept of 'big idea' is interesting. I don't think I had a 'big idea' when I started. It emerged over the years and every year, it evolves. At the beginning, it was more based on me looking for something meaningful to do. I struggle to do things I don't care about! I remember being a consultant in a high-profile management consulting firm in NYC in my 20s and asking one of my colleagues one day, "What do I care about how many bars of chocolate that company sells in its retail store?" I didn't have the concept yet, but I was looking for meaning.

So, when I found coaching, the idea of being there for people, of helping them become the best human beings they could, felt as something I could see myself fully engaged with. I think I 'flirted' with my 'big idea' for years until I was able to articulate it clearly to myself first and to others!

And the biggest challenges women in business face?

Ourselves! We don't believe in ourselves enough. We're riddled by all these 'not good enough' stories and other voices from our inner critic.



"I GUESS BEING FREE WAS ALWAYS A BIG DRIVER. I ALWAYS SAY THAT YOU WOULD HAVE TO PAY ME A FORTUNE TO GO BACK IN THE CORPORATE WORLD!"

It's harder for us to sell ourselves as we bump into feeling arrogant and lacking humility – or maybe that's just my stuff!

Of course, managing the family side is also a challenge. And it's not always because we don't have a supportive partner. Sometimes it is because we want to be there for our children and it's just not always compatible with us growing a business.

I think the biggest challenge as a woman entrepreneur is to accept that in order for us to be the entrepreneur and the mother we want to be, we will miss out on some things. Sometimes work will miss out on our presence but sometimes, the kids will miss out on us and we will miss out on them. Being OK with this

is the hardest part of it. I try to keep a long-term horizon. Work/life balance is not a perfect 50/50 situation, it evolves over time. Sometimes, work wins, sometimes life wins. It's a matter of being aware of the trend and rectifying if we feel it doesn't work for us or for our system.

And the best advice you have received?

I don't know that I can think of something specific. The best thing for me has been to have an amazing business partner who saw things in me I couldn't see, and who gave me his unwavering support over the years no matter how I was feeling. We always say behind a great man, there is a great woman. I think the reverse is true as well. I wouldn't be who I am if it wasn't for him.



"WORK ON YOURSELF, THE INNER WORK, GET PEOPLE TO HELP YOU INTERNALLY WITH YOUR HEALTH AND YOUR INNER WELLBEING. WHATEVER WE DO INTERNALLY WILL COME INTO OUR BUSINESSES AND EXPAND EXTERNALLY AS WELL"

SAMANTHA DEAN

Founder, Blueprint HQ

How did you get your start in business?

My current business, which is a start-up consulting business to the accounting industry, was a really bold move for me to answer the question of how we help accountants around conversation and our relationships with clients as opposed to what people in the industry have been telling us about technology etc.

So, it's about really trying to get better conversation going with the accountants, so that we can go into the next five to 10 years knowing that we need to build a relationship

business as opposed to tax services. The qualities that have driven me to make this big idea a reality is a little bit of stubbornness, definitely around "No, this can be done".

Our industry has a lot to say and has a story to tell that we're not telling. Also, a lot of curiosity as to why we haven't made these changes before and a lot of drive.

And the biggest challenges women in business face?

It's such a great question. I've been a woman in various businesses now for over 15 years and I think

it's not for the last two or three years that I've really understood the challenges that we face. So, I think a lot of our challenges are actually more internal than external, sometimes.

I think there is a lot of self-doubt, the imposter syndrome. A lot of the successful business owners that we see are men, so it's difficult to then put ourselves into that situation. That's why I think things like this



2020 IWD
International Women's Day is celebrated annually on 8 March. This year's IWD campaign theme is #EachforEqual.

article and more visibility from female entrepreneurs [is important] ... because there are successful female entrepreneurs out there, just that we're not really seen ... We also tend not to stand up and say "Look at me", so that other women can say, "OK, I can see them, so I can be them."

And the best advice you have received?

I received this reasonably recently – think big!

I was at a conference over in the States, early November, with 75 other women entrepreneurs and it changed the way I think about it. So, think big and think not necessarily about the how, but who we can actually put around us, to support us. I think as women, we sometimes try and do it all ourselves and the who is super important, as well.

Advice for other women?

I'd definitely give those two pieces of advice. In fact, I'm just working with a woman entrepreneur just now.

Work on yourself, the inner work, get people to help you internally with your health and your inner wellbeing. Whatever we do internally will come into our businesses and expand externally as well.

MARTINE HOOSEN

Managing director, Bookwiz Franchising

Female entrepreneurs aren't celebrated enough. What would you say are the biggest challenges women in business face?

Let's face it, regardless of gender, being in business can be really hard. However, I do believe there are extra challenges for women, especially for those that have children... Probably the biggest challenge I have personally faced is working through mother guilt. Being that mum that isn't able to help out at many school excursions, forgetting it was Free Dress Day because I was so busy and sending kids to school in their uniforms (I will never live that one down). There are far more expectations on working women when it comes to the care of the children and the running of the family home than what there are for working fathers; the work/life balance is a massive juggle for most working mothers.

I am in constant contact with working women, and a common challenge I see (and experience myself as well) is imposter syndrome. On the outside we appear so confident and focused but in reality, the feelings of self-doubt can really hold back a lot of female entrepreneurs. I went along for many years not even realising I suffered from this, it wasn't until I formed a close bond with some other female entrepreneurs and started discussing my

fears and worries that it was pointed out to me it was an actual thing, and that it is so common for women in business to suffer from this.

And then there is gender equality, I can confidently say that in my 20 years of running Bookwiz I have seen a massive change (for the better) in how female entrepreneurs are accepted and respected in business. There is still some way to go, and I do believe women still have to work so much harder than men to get ahead and be recognised, but I think a large reason for greater acceptance now is that women are actually speaking out, putting themselves out there like never before and claiming their place in business.

What's the best advice you've ever received as a woman business owner?

The single best advice I ever received was "Don't be afraid to say NO!" There is something inbuilt into women that makes us feel we have to say yes to everything. Whether in business or in personal life, we have to learn that it's OK to say no. We just cannot do everything!

There was a stage in my business that I was taking on every lead that came my way, I would say yes to every demand of my clients, I said yes to all the requests from colleagues, yes to everything in my personal life. I hit a wall,



I was run-down, my health suffered and I was having anxiety just trying to deliver on everything.

I decided that not all my clients were good clients, so I culled off the demanding ones that didn't value me, that allowed more time to focus on my great clients and deliver an even better service. And, I learnt how to say no. I stopped taking on every bit of work, stopped pandering to unrealistic demands of clients and it made a huge difference.

I also learnt how to delegate more to my team rather than feeling I had to do it all. By doing this I was able to focus on my business rather than chasing my tail all day trying to please everyone by meeting unrealistic demands.

What advice would you give other women looking to launch their own business?

● Don't be afraid to ask: Ask for help, ask for leads, ask

for advice, you would be surprised at how much some people are willing to give to help those starting out.

● Delegate or outsource: Don't think you can do it all (personally or professionally), get a cleaner, VA/PA, gardener, don't try to do things that you are really not good at, outsource them and focus only on what you are great at!

● For the business side of things, know your numbers! If you are not familiar with understanding business reports, ask an adviser to teach you. Do a business plan, budget and cash flow and review them regularly, know what your break-even point is, do your market research and know what your competitors are doing.

● Find a niche, something that others are not doing and become the go-to expert. ☺



9,762

SQUARE KILOMETRES
of Amazon rainforest (an area the size
of Lebanon) have been destroyed
between August 2018 and July
2019, according to Brazil's National
Institute for Space Research.

TECH INNOVATION

The key to a sustainable future

Global futurist and innovation strategist Anders Sörman-Nilsson talks about the ins and outs of creating a more sustainable business. He warns that those who refuse to get onboard, will certainly be left behind

| by Anders Sörman-Nilsson |

Most of us engage in sustainability measures we hope will go some way to helping us tread more lightly on our precious planet. All make some difference but are mostly symbolic or make a marginal difference.

I believe that in the end we'll need to rely on superheroes to come and save us. No, I don't mean a posse of cartoon characters from DC Comics – I'm talking about individuals and businesses developing the next generation of technological innovation focused on sustainability.

Winning the sustainability battle isn't just about saving more and wasting less. It's

about doing more with less. We need to use the benefit of technological innovation to find exponential gains in every business, every industry, every economy.

Yes, most of us – I wish I could say all of us! – make personal decisions to do the right thing for the environment.

At the supermarket, we choose sustainable fish and meat for our families to eat. At home, we put solar panels on our roofs, install efficient light bulbs, take shorter showers, separate our paper from our plastics and recycle whenever possible. Some of us even put our vegetable waste into a composting bin or set up our own worm farm.

We might do similar things at work. Executives now take advantage of video conferencing instead of making excessive (and resource-burning) overseas trips. Event organisers promote recycling and composting and do away with single-use signage and plastic show bags.

But business managers often seem to be in the dark when it comes to working out how they can make their companies more sustainable – in an exponential fashion. The choices many make when it comes to raw materials and energy sources are anything but environmentally or ethically responsible. Without a doubt, businesses have

this perception they need to spend much more to be kind to the environment.

I actually think unless businesses start taking action and behave sustainably, their very own existence will be at risk. It's not just because consumers expect companies they buy from to lift their game. They're already sending a powerful message that they care where their products come from and how they're made – from wanting more transparency on the coffee beans we use at home, to McDonald's and their verified sustainable beef initiatives.

Perhaps what will speak loudest to business is the language of money – profit and loss.

Here are the technologies that will help save the planet

From working alongside global brands to our own expert research, here are the exponential technologies that can help save the planet:



A sieve that makes the ocean drinkable

Turning ocean water into drinkable water is an extremely costly and energy-consuming process that is likely to harm marine life. However, a new sieve has just been created using graphene oxide that filters out the salt using less energy. This is a milestone product, considering it's estimated that in less than a decade 14 per cent of people will not have access to sufficient water resources where they live.



A pollinating drone

A significant amount of our products rely on pollination and need pollinators like bees to make them possible. However, with insects facing extinction, it is vital that we prepare for an alternative solution. Researchers are currently piloting a program where drones replace bees, which has so far proven to be positive. They are also working to create 'robot bees', which could work alongside real insects to increase the population and save the ecosystem.



Epson PaperLab

To address paper waste, Epson has developed a sustainable printing solution that allows large corporations to reuse and recycle their products. PaperLab upcycles used paper through the use of Dry Fibre Technology — which the printing solutions company calls “a way to create paper without using water”. PaperLab creates 14 sheets of paper every minute, which is a huge amount for what would otherwise go to waste.



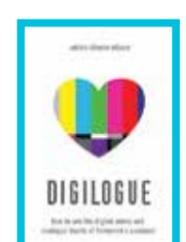
Impossible burgers

'Burgers for Biodiversity' has been created to satisfy the demand for meat at a fraction of the environmental impact. Developed by Impossible Foods, this menu item requires 87 per cent less water, releases 89 per cent fewer greenhouse gases, and spares 96 per cent more land than its meat alternative. This makes it a far more sustainable, scalable, and affordable way to make 'meat'.



“WE’VE REACHED THE INFLECTION POINT WHERE IT’S MORE COST-EFFECTIVE TO BUILD AND OPERATE NEW ALTERNATIVE ENERGY PROJECTS THAN KEEP EXISTING CONVENTIONAL GENERATION PLANTS”

43.1
BILLION TONNES
of carbon dioxide was pumped into the atmosphere in 2019. The highest level of CO² emissions on record.



Anders Sörman-Nilsson is the author of the books *Seamless: a hero's journey of digital disruption, adaptation and human transformation* (Wiley, 2017), *Digilogue: how to win the digital minds and analogue hearts of tomorrow's customers* (Wiley, 2013) and *Thinque Funky: Upgrade Your Thinking* (Thinque, 2009).

A widespread adoption of sustainable approaches will be good for the bottom line and the overall health of the global economy. At the most basic level, sustainable energy is simply becoming more affordable every year. The price of solar power, for instance, is dropping fast. This won't surprise anyone familiar with Swanson's Law. Similar to how Moore's Law explains the rapid improvement of computing power over time, Swanson's Law states the price of solar units drops 20 per cent for every doubling of cumulative shipped volume. US research published last year by Lazard showed

we've reached the inflection point where it's more cost-effective to build and operate new alternative energy projects than keep existing conventional generation plants. And that gap will only widen. Not only is solar becoming more efficient, manufacturers have drastically improved their production processes. Batteries are becoming more efficient and much cheaper to make. So we know lower energy prices will cut the cost of production. But the biggest impact on what I call our “sustainable futures” will come from technological innovation. Technology means we now



Inspiring change
The Swedish-Australian futurist has shared the stage with Hillary Clinton, Nobel laureates, and European and Australian heads of state. He is an active member of TEDGlobal, has keynoted at TEDx in the US and Australia, was nominated to the World Economic Forum's Young Global Leaders in 2015, and was the keynote speaker at the G20's Y20 Summit in Australia.

need less items to get more jobs done, which has led to the “servitisation” of physical products. Manufacturers aren't just selling products — they're providing valuable services based on their products' core capabilities. Just look at the ubiquitous smartphone. It's not just a phone but a video camera, document scanner, entertainment device, health monitor, spirit level — what can't it do? Our tools are not just getting smarter, we don't need as many of them to improve our efficiency. Hundreds of previously ‘physical products’ are now integrated into the iPhone, and thus defunct as independent physical devices — a huge saving on planetary resources! Technology is also helping us recycle precious metals and valuable rare-earth materials. Again, think about the smartphone: Apple has developed a device called Daisy that can dismantle 200 iPhones per day to recover materials such as cobalt, tin, aluminium and lithium. This brings us to the other factor driving innovation-led sustainability: it creates profitable businesses and industries. One of the best examples right now is Aquana — an impressive aquaculture business in the NSW Riverina

region. It takes a vertically-integrated approach to breeding, growing and supplying fully sustainable Murray cod — one of the nicest tasting white-fleshed fish you'll find anywhere. Aquana uses the highest sustainability principles in every aspect of production — energy and water sources, feed and stock management, and waste — and uses solar power to provide half of its nursery power. All of its Murray cod are traceable from pond to plate while leaving little impact on the environment from which they came. So, it isn't just large enterprise companies with the most to gain by putting sustainability at the centre of their thinking. Small-to-medium-sized businesses can succeed — and win over more customers — by making sustainable choices in their daily operations. Only once businesses start to take advantage of technology and change their entire supply chains to be sustainable will we see a fundamental paradigm shift.

Conclusion
In order to help the planet survive, companies and individuals need to leverage exponential technologies. We need to create and implement scalable, sustainable practices that benefit both the environment and our global economy. 🌱



Anders Sörman-Nilsson
global futurist and innovation strategist

Mr Burgess began his studies with a very specific goal of working with BAE Systems and upon completion he did just that, securing a successful career in his dream job.

"I was always drawn to industries that designed, developed, built and sold things and obviously aerospace, particularly in the north-west of England, was a really big employer," Mr Burgess recalls.

Following a 16-year career with BAE, he was able to progress through a variety of roles in a number of countries, including a significant career with Honeywell International.

"I lived in France for a year, I lived in the States for the better part of a year, then I moved to the Middle East for two years and then Asia for five," Mr Burgess says.

Following his worldly expeditions, he eventually relocated to Australia, having married an Aussie he met in the UK.

"We self-relocated and I continued working for Honeywell for another two years or so, until the search and selection firm called me about this particular role," Mr Burgess adds.

"I've been out of the UK for 10 years, but in Australia for just come up to five."

Currently, Mr Burgess is employed as the CEO and managing director of Quickstep, a company seeking to drive a new era in the aerospace industry within Australia's economy.

Originally founded in 2001 as a technology start-up, it began to win some significant manufacturing contracts around 2010, which precipitated its move

EYES ON THE GAME

Born and raised in the UK, Mark Burgess dreamt of becoming an astronaut until, at the age of 10, he realised that the UK doesn't have a manned space program, so his dream shifted to a career in aerospace

| by Maja Garaca Djurdjevic |

from Western Australia to Bankstown in western Sydney. Over that period, Quickstep has grown from a technology company to a manufacturing-orientated business with a significant R&D capability.

"We build products from carbon fibre and invest in process technology for the manufacture of carbon fibre components. We've done work in the auto sector, medical devices and rail, but the vast majority of our business now and into the future is in the aerospace environment," Mr Burgess explains.

"Currently, very heavily dominated by defence aerospace applications, we make a lot of parts for military aircraft produced in the US, but

the manufacturing process technology we have is very heavily geared toward launching into the commercial aerospace market."

Selling ourselves short

Speaking about the Australian defence aerospace industry, Mr Burgess admits it is very challenging due to its limited size.

"Its defining features are probably two-fold really. One, there is no significant domestic market. What that means, therefore, is that there is no significant domestic industry. In sum total, it is relatively small, and what is here, generally services the local market," he says.

"However, in terms of engineering competency it's

as good as anywhere else I have worked in the world."

Having rubbed shoulders with some of the best in the business, Mr Burgess clarifies that Australian engineers are remarkable, but they're let down by an introvert environment geared mostly towards the resources sector and agribusiness.

"There is a genuine challenge of geographic distance, as well as the fact that Australia doesn't have a great reputation. In fact,

it doesn't have any kind of reputation for manufacturing or aerospace particularly," Mr Burgess says.

"I frequently have to start by saying 'No, really, we do do these things in Australia', including in Australia sometimes.

"There is a lack of knowledge and investment in advanced manufacturing. We're listed and we speak to a very small sector of the investment community, because if you're not in resources, or agribusiness or

possibly fintech or biotech, there is not a lot of interest out there."

Promoting and amplifying value

Mr Burgess encourages Australians to celebrate their success stories.

"There are some really good examples of successful advanced manufacturing in Australia and we need to do more to promote and amplify that, to demonstrate what Australia is capable of," he says.

Mr Burgess admits that the government has done a lot of work to boost capabilities, but he believes a more coherent approach is needed to advance research and development.

"A very robust policy framework has been put in place over the last few years, which is helping," he says.

"But there is more that needs to be done, particularly in terms of how you put foreign suppliers in contractually binding obligations rather than

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relying on the kindness of strangers."

Undeniably, Aussies need a lot more self-belief, Mr Burgess explains.

"Australia is an incredibly well educated and capable economic block. But we're quite parochial and inward looking and we need not to be. We exist in a global market, and actually if we put our minds to it, we can compete with anybody," he adds.

"But we too rarely see that belief system in existence here."

A year of breakthroughs

Looking forward, Mr Burgess predicts that great things are on the cards for Quickstep.

"After 17 years in existence, we have seen our first ever net profit, which is outstanding," he reveals.

"The current financial year we're in at the moment, I expect to see continued top-line growth, really substantial improvement in the EBITDA and particularly the net profit, which will build an ever-stronger base for us to continue to grow, as well as the announcement of a couple of significant contracts."

As for his personal life, Mr Burgess admits weekends will continue to be dedicated to his two kids and sports.

"I spend a lot of time with my kids, they're 10 and seven. We spend all weekend watching them play sports," he says.

"We also go watch a little bit of the NRL, obviously it's summer now, so we'll be spending a lot of time watching the kids play cricket, as well as going to some of the Test matches and the Big Bash." 🏏

SUPERWOMAN

Superheroes do exist

A light-hearted comment would end up becoming Rachita Bhatia's future. It all started nearly two decades ago when she decided to break family tradition, move to Australia and pursue accounting

| by Maja Garaca Djurdjevic |

Ms Bhatia recalls, "My parents are both doctors. There was a default expectation upon my sister to follow the tradition. Once she graduated, I often joked that if we all became doctors, who would manage our fortunes?"

She took up accounting as one of her elective subjects in high school, and although she was initially drawn to science, the attraction wasn't quite strong enough to translate into a career. Instead she chose economics and completed her undergraduate degree in economic honours. Not long after, Ms Bhatia made the choice to relocate to Australia, partially influenced by her adoration of Brett Lee.

"When the time came to pursue my master's and the opportunity of studying in Australia materialised, one of the courses that was offered to me was MBA with

specialisation in professional accounting," she says.

"I was also told that the course had enough points attached to it to help me in obtaining my permanent residency. And of course, moving to Australia meant landing in Brett Lee's territory."

She commenced her MBA at the University of Technology Sydney in 2003 and "absolutely enjoyed the course". Academically, Ms Bhatia excelled, but she admits that adjusting to life in Australia was a struggle financially, culturally and emotionally.

"Moving to a new country and getting used to new ways of doing practically everything brought priceless experiences. During the first few months my emotions frequently went on a rollercoaster ride. But I was determined to succeed," Ms Bhatia recalls.

While studying, she developed a predilection for the stories numbers could tell. And soon accounting became much more than a profession, but a method to evaluate her life.

"I find accounting therapeutic. One could joke that it also provides a creative outlet where one can find many ways to balance the books. Accounting is not an isolated discipline. I think it brings together all the other aspects of a business," she says.

"On a more philosophical note I think we could extend the concept of debits and credits to our lives where our net worth as an individual exceeds beyond our bank balance and where our goodwill is an outcome of the strength of our relationships."

A team of two

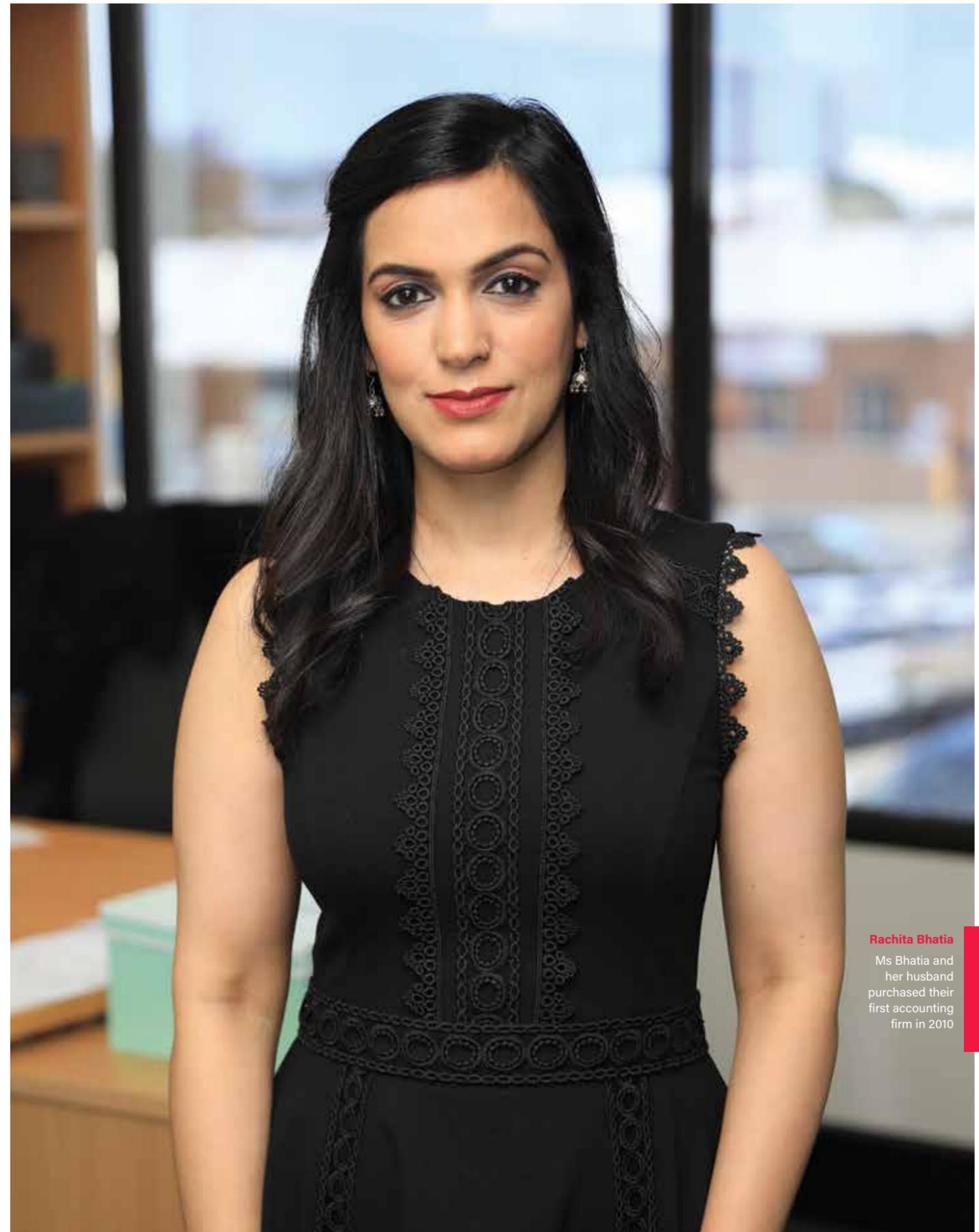
Ms Bhatia started working in

a small suburban accounting firm in Balgowlah, NSW. She met her husband at work and in 2010 they purchased their first accounting firm.

"My husband and I became business partners first and life partners later. There were many occasions on which we could have run away in opposite directions at the first given opportunity but our commitment to work helped us stay together and overcome personal differences," she says.

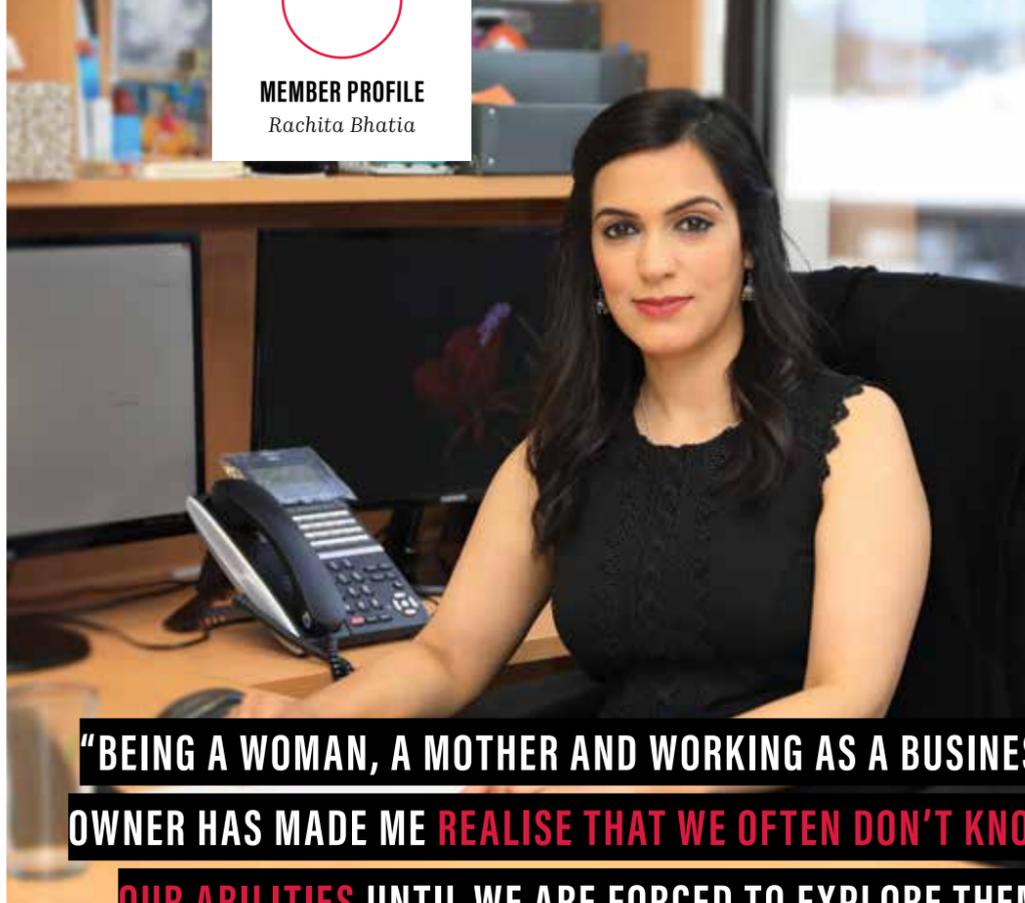
"At times, soon after a disagreement, we had to sit in front of a client and fake smiles until they became real! From two individuals we became a team."

For her, transitioning from an employee to a business owner was a big move. While her new title sounded great, the degree of responsibility it came with was both "exciting and nerve wracking".



Rachita Bhatia

Ms Bhatia and her husband purchased their first accounting firm in 2010



"BEING A WOMAN, A MOTHER AND WORKING AS A BUSINESS OWNER HAS MADE ME REALISE THAT WE OFTEN DON'T KNOW OUR ABILITIES UNTIL WE ARE FORCED TO EXPLORE THEM"

"My husband has been a great support to me. It will give him great pleasure to see me admit this in black and white, and I am definite that he will use this to his advantage in our future arguments," Ms Bhatia says with a laugh.

"He has been my mentor in this journey of being a business owner. I have learnt from him what was not available in my academic texts and course material."

Technological alterations

With over 14 years of experience in accounting, Ms Bhatia tells *Public Accountant* that the biggest change she has seen is the rate with which technology has become pervasive in everything accountants do.

While keeping up with technology is a challenge, Ms Bhatia admits that convincing clients to adopt innovative approaches is even tougher.

"Technology has revolutionised many aspects of the traditional ways in which accounting tasks have been carried out. However, there have been a lot of disruptions as well. For instance, our reliance on tax agent portal has tremendously increased and when the portal is down, we are not able to perform many tasks," she says.

Similarly, while moving to cloud based software has boosted an accountant's ability to access data from anywhere, Ms Bhatia explains that the underlying infrastructure still births many challenges.

"Access to internet, in my opinion, is still not available in many areas," she adds.

Other predominant changes Ms Bhatia has

experienced relate to the way accountants communicate with their clients.

"With electronic delivery of documents, I find that we do not have as many face-to-face interactions with our clients," Ms Bhatia says.

"The role of an accountant is no longer that of a number cruncher. Along with numeracy skills accountants are now focusing on people skills."

Superheroes exist

But, her biggest challenge, she admits, is juggling motherhood and business.

"Superheroes aren't a myth and working mothers are an example of this. Being a woman, a mother and working as a business owner has made me realise that we often don't know our abilities until we are forced to explore them," Ms Bhatia says.

"As a woman business owner, I have had flexibility

with my time and work to meet the needs of my daughter."

Ms Bhatia candidly explains that she has had moments where she has thrown her hands up and cried out for help.

"Recently I attended the IPA event – Women in Tax – which made me realise that a lot of women are in the same shoes that I find myself in. There is no magic formula that can work wonders.

Everyone has had stumbling blocks and the advice was 'keep carrying on,'" she says.

"It is important to reach out and talk to someone if our various responsibilities begin to weigh us down. Asking for help is okay. Sometimes you just need to step away from everything, take a few hours out for yourself and then continue from where you left," Ms Bhatia says.

In the little downtime Ms Bhatia gets, she tells

Public Accountant that reading is what she enjoys most.

"I mostly read fiction. Recently I have started to take a keen interest in poetry and creative writing. Also, I have been learning about the 'impressionist' era of art," she says.

As for 2020, Ms Bhatia explains that while in business she will be focused on consolidation, in her private life she is excited to welcome her daughter into a new phase of life.

"This year from a work perspective we are going to focus on consolidation. We had acquired two new practices over the last two years. Our aim now is to integrate the businesses," Ms Bhatia says.

"On the personal front, my daughter begins her primary school in 2020 so it is an extremely exciting time for us, and I am looking forward to watching her move into a new phase of her life." 📍



58

A word from the CFO

You want to make a push into the advisory space? Thinking CFO services may be the way forward?

by Sarah Lawrance



60

Soft skills: The future for accountants

Mark Holton outlines the changing nature of accounting and why soft skills are now key to success

by Mark Holton



62

Have you got an 'Innovation Killer' in your business?

Inertia has killed a lot of giants. The clients we work with know this. All of them are looking to overhaul their legacy processes, to implement new digital products, and to use technology to better serve their clients

by Angus Dorney



64

How and when should you disclose mental health issues?

While we have, as a whole, made tremendous strides in raising awareness and combating stigma about ailments such as anxiety and depression, many workers still feel reluctant to speak up until such time as they have proven themselves

by Jerome Doraisamy

Business building

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

AS YOU look at your business for the year ahead and start to map out the framework for executing your strategy, you may be looking to add additional revenue streams or diversify into other areas to push growth in your business.

With the current downward pressure on bookkeeping and accounting, coupled with a competitive landscape, ask yourself: can you afford not to consider offering CFO services to your clients?

The firm of the future will look considerably different to what it does today and you will need to be well positioned to leverage these new opportunities.

So, what does the CFO model look like and how does the innovative and entrepreneurial CFO of 2020 execute this service offering to their clients and how can you as a practitioner start to leverage these services in your own firm to stay one step ahead of the curve?

The role

Let's start with defining what a CFO does and how this differs from the current role of a bookkeeper or accountant.

The CFO is responsible for the financial management of the company, oversight and management of risk, record keeping and reporting.

While at a fundamental level none of this has changed for the traditional CFO, what has changed is the scope and opportunity that now exists for innovative CFOs to take on a far more holistic approach to the role.

Clients want more. They are tech savvy, hungry for support and prepared to pay for it.

This is where the opportunity lies. Having the ability to leverage our technical experience, strategic and communication skills, in a way that starts to drive real and valuable conversations around the board room, allows the CFO to have an impact across a broad range of areas such as operations, marketing, sales, people and strategy.

Couple this with the impact of technology and the opportunity to source real-time data across not just financial but operational data points, and the CFO starts to become a pivotal role within any business.

It also becomes an exciting role for any financial professional that loves having a seat at the table, and wants to stand toe-to-toe with the owner and the board to help drive strategy and change.

The modern CFO is no longer just looking back, they are a strategic thinker that has the ability to significantly

impact the growth and direction of the business.

So, you want to be a CFO? Let's have a chat about what this looks like from an execution standpoint.

While this may sound like a great space to start your advisory journey, be aware that this role sits in a slightly different arena to the traditional bookkeeper or accountant, as do the expectation and deliverables.

To be an effective CFO to your client, you need to have extra touchpoints. Yes, your pricing should then reflect this, but so should your depth of involvement in the strategic direction of the business.

It is one thing to title yourself as a CFO, but another to actually deliver on this title.

The starting point for your CFO journey with your clients should always be at the business planning stage. Take ownership of this role for your clients. Establish yourself as the driver of this process and help owners and key department heads set the framework for the strategic direction of the business.

This process not only builds rapport with your clients but leads to conversations at future regular CFO meetings that have more depth.

Why? Because you begin to understand the owners' and key personnel's motivations, why they are doing what they are doing and what the end game is. You start to get a feel for the industry and the space your client sits in, what opportunities are available for them and key areas that they need to address.

CFO in the know
Sarah Lawrance was crowned Chief Financial Officer of the Year at the Accountants Daily Australian Accounting Awards 2019.



"CLIENTS WANT MORE. THEY ARE TECH SAVVY, HUNGRY FOR SUPPORT AND PREPARED TO PAY FOR IT. THIS IS WHERE THE OPPORTUNITY LIES"

This process gives you context and allows you to make and mold decisions based on the strategic direction of the business.

Data and technology are your friend

Data is the CFO's best friend!
The modern CFO sits at the crossroads of finances, data and technology. Having the technical ability to understand the story the numbers are telling, and how that supports business strategy, becomes a valuable skill set in a high-growth and complex environment. Position yourself at the crossroads and establish yourself as an expert in the business.

Become the chief executive storyteller

This is non-negotiable in the modern CFO's toolkit.
Long gone are the days when accountants were pencil

pushing bean counters with zero communications skills.

The modern CFO understands the value in open lines of communication across all parts of the business operations. It is in fact these conversations that tend to lead to bigger conversations and insights around the true pulse of a business. Insights that tend to highlight areas of inefficiency, tensions and also wins that enable you to feed back into management loop conversations.

Communicating not your strong point?

Then start by putting yourself out there. The more you exercise this muscle the easier it becomes. You already have the technical skills, but your communication and soft skills need to be on par.

Manage and drive the data conversation with your clients. Integrate a live dashboard that not only has a focus on the financial

data, but opens up the conversation around other data points of the business and the interconnected relationships between the departments. How does the sales pipeline data interact with the marketing and financial data? What is the push and pull effect of these relationships?

Become curious!

The modern CFO focus isn't just on the internal intricacies of the business. It also lies in the external environment – where this business sits on the competitive landscape and how it can effectively drive growth in line with strategy.

Establish a network of professionals that you can lean on when things come up outside of your core skill set. Understand that your value lies in doing what you do well, but that having nimble and experienced people around you, that you can tap into for

advice, will give you depth in the CFO role.

So, is all this sounding overwhelming? Sounding like it may be too much to take on and execute successfully?

Then don't.

I'm a big believer in collaboration and doing what you do well! Look for opportunities with CFO firms that speak the same language you do, have the same client approach and ethics.

Remember to take your time dating any new potential partners and ease into it. They will become an extension of your brand and while you may share their wins, remember you will also share any negative experiences.

However, get the partnership right and you can

extend your service offering and deliver real value for your clients and your bottom line.

Executing CFO services in 2020 presents enormous opportunities not only for your clients but also for your own firm. These services allow you to carve out a new revenue stream for your business and stay ahead of the curve in what is becoming an increasingly competitive environment.

Stay curious, stay hungry, stay ahead of the curve! 🍌

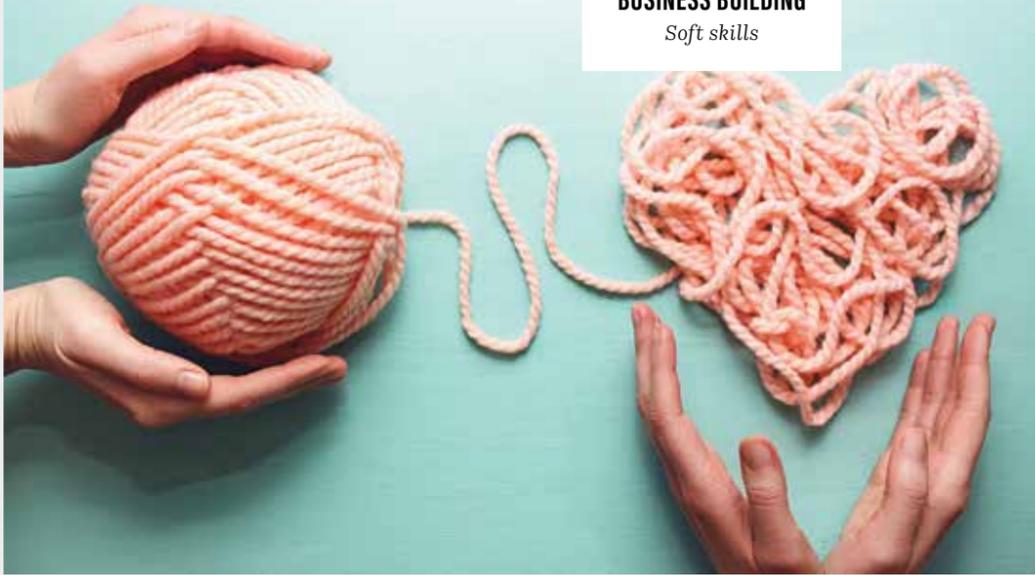


Sarah Lawrance
founder, Hot Toast

A word from the CFO

You want to make a push into the advisory space? Thinking CFO services may be the way forward?

| by Sarah Lawrance |



Soft skills: The future for accountants

Mark Holton outlines the changing nature of accounting and why soft skills are now key to success

| by Mark Holton |

IF YOU have been working in the accounting industry for even just a few years, you would have noticed that successful team members know more than technical accounting skills.

Chances are these team members have invested a lot of time and effort to develop their soft skills. Accounting soft skills like effective leadership, strong verbal and written communication and critical thinking can take the average accountant and transform them into star performers.

Here's an overview of the top five soft skills I believe are critical for accountants:

1. Effective verbal, written and non-verbal communication

The effectiveness of words is not measured by volume, in fact, just like with so many other things less is more. This is especially true for busy work colleagues.

Emails can be shorter and stronger, presentations more direct and engaging and questioning skills more thorough and exploring. When you get to the point in your writing you will find it can positively influence your speaking and presentation skills as well.

Finally, do not forget to look for and understand non-verbal cues. Many things that

were not actually said also have a powerful impact.

2. Thinking critically and focusing on problem solving

When you look at a problem like a spreadsheet what do you see? Just a series of columns, rows and numbers, or a totally different story inside? Analysing patterns, trends or developing an appropriate strategy is critical thinking. Developing a long-term financial plan or a well thought and structured business advisory engagement for a client requires critical thinking.

3. Relationship management and persuasion skills

Accountants need to develop relationships with their clients through reliability and expertise. Good leaders persuade team members to work together to achieve a goal. Persuasion here is critical. It is as much about your own self-confidence and your ability to analyse a situation and come up with a plan. Think about how you will unlock the needs of clients in order to offer them more exciting solutions like advisory services. How will you engage them, what

questions will you ask? Are you a good listener? How will you close the opportunity into an engagement? All great soft skills to have in your career.

4. Managing the benefits and future of technology

Knowing the law and how to extract discerning data out of a profit and loss statement and balance sheet is critical to an accountant's success. This requires using software and other key tools and processes necessary to do your job. Team members who are comfortable with technology, who embrace change and are constantly on the lookout for better tools and processes are very valuable to an accounting firm.

5. Leadership and managing your team

This quality is not just about being a good manager or a trusted supporter, it is all about earning respect through effort, leading and displaying a good example. Good leaders communicate well. They think about their audience and how their words are interpreted.

They are also big-picture strategic and concentrate on long-term strategies as well as more immediate issues.

As you progress in your career, one, three or even five to 10 years down the track, you will comprehend how valuable these soft skills are for your success. 📌



Mark Holton
founding director,
Smithink



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Have you got an 'Innovation Killer' in your business?

Inertia has killed a lot of giants. The clients we work with know this. All of them are looking to overhaul their legacy processes, to implement new digital products, and to use technology to better serve their clients

| by Angus Dorney |

AN ORGANISATION'S fate relies on its people, and one bad innovation apple can spoil the bunch – this bad apple is otherwise known as the dreaded “Innovation Killer”.

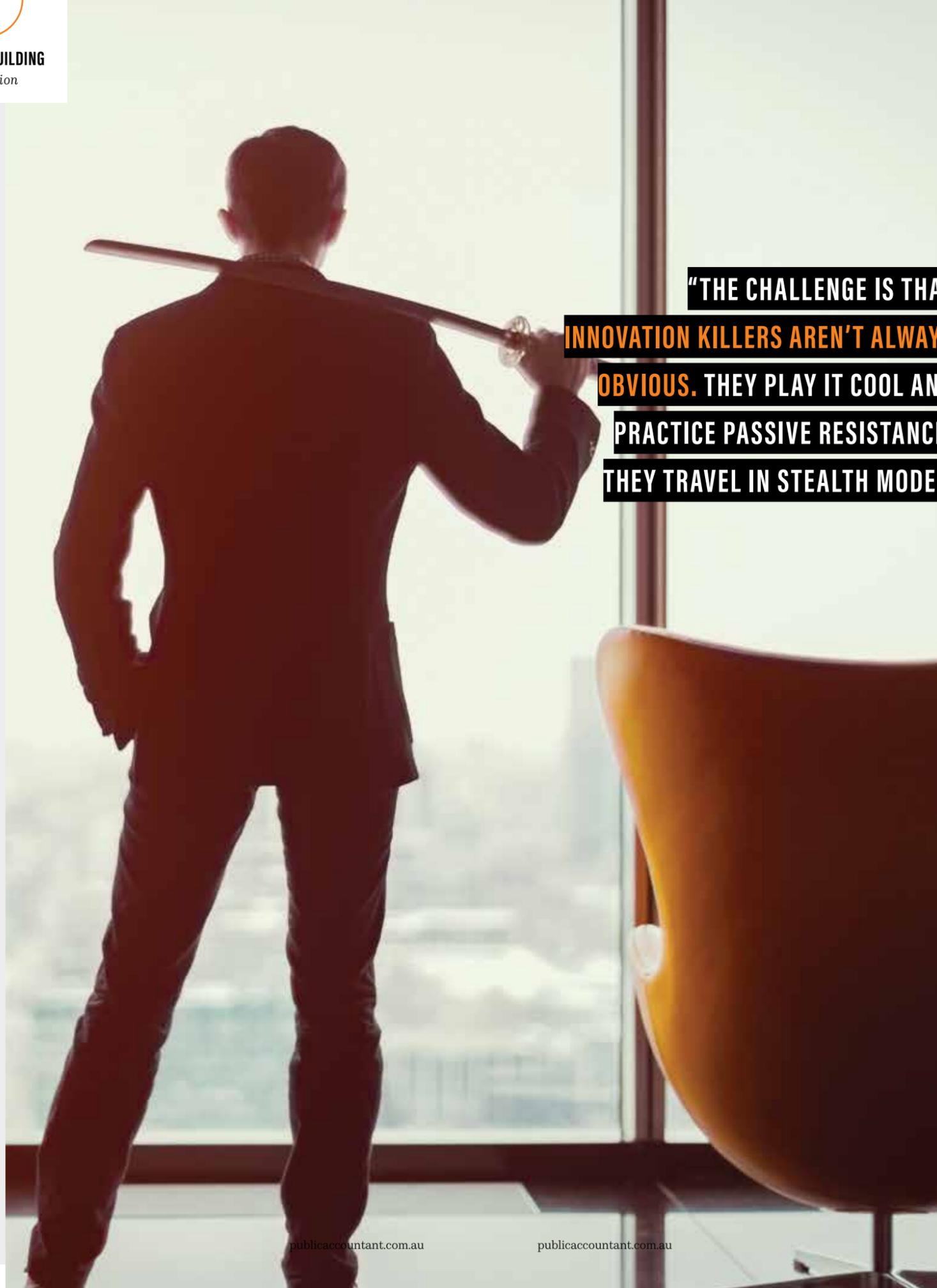
The challenge is that Innovation Killers aren't always obvious. They play it cool and practice passive resistance. They travel in stealth mode. They know that at the very least they must give lip service to the future, even while killing it in the crib.

The Innovation Killer is the opposite of an organisation's “Change Agent” – that sunny innovation advocate who champions the push to implement new digital technologies. When it comes to driving positive change in large organisations, language often gives a good indicator of how someone is thinking – or not thinking – when it comes to innovation. Luckily, years of delivering transformative projects have

supplied our team with six phrases that we all agree are dead giveaways you're dealing with an Innovation Killer.

1. We've tried that before, it didn't work – If a project didn't work the first time, that doesn't mean it won't ever work. It might have been tried in the past, but never at this point in time, with this team, and this technology. If the previous attempt failed because of technical limitations, it's possible those limitations have been addressed in subsequent releases or through entirely new offerings.

2. That's not how we do it here – Innovation by its very nature changes how things are done. Rather than think of how new digital products change current processes, they should be viewed through the prism of how they improve current processes.



“THE CHALLENGE IS THAT INNOVATION KILLERS AREN'T ALWAYS OBVIOUS. THEY PLAY IT COOL AND PRACTICE PASSIVE RESISTANCE. THEY TRAVEL IN STEALTH MODE.”

3. We could do that ourselves – If that were the case, it would already be done.

4. That doesn't fit with our policy – Policies are written to help guide businesses; they're not meant to be wielded as swords to cut down innovation. Good organisations update their policies as they grow and transform, because policies are written to fit the processes and capabilities of the time. Transformational digital products can only deliver their real value if they're embraced by the whole business – this often means policies need to be updated to encompass the potential of the new technology.

5. People don't like change – This is perhaps the most common Innovation Killer phrase I hear, and it's a red herring. It's not change that people fear, it's loss. Truly innovative and transformational projects are a time of upheaval, but it's an uplifting upheaval. Thankfully, while this is the most common objection, it's also the easiest to address. Through good communication, taking the time to explain how much more efficient and productive they'll be, and how the new technology simplifies their life and the lives of their customers, the Innovation Killer can be brought around.

6. I told you that wouldn't work – I really hate this phrase. Just about all great business ideas come with risk and uncertainty. When developing and implementing innovative digital products, sometimes multiple iterations will be needed to get it right. While this process can look like it's “not working”, high

performing teams take the learnings from “failing safely” on board and make the next step even better. If you're seeking to look smart by taking glory in someone else's short-term failure – which this phrase implicitly does – then you're going to inhabit long-term failure. People who sit back, avoid accountability and throw rocks at innovation are not as smart as they think.

I don't want to sound too harsh. All of us have probably used these words or others like them at some point, but like any culture shift – and innovation is all about culture – sometimes it starts (or ends) with a single phrase.

When it comes to digital transformations, you can't innovate without changing the status quo. In the face of this disruption, the organisation's Innovation Killer will inevitably make themselves known and how you deal with them can make or break a project.

The good news is that the Innovation Killer isn't a bad person (not most of the time anyway), they just have an attitude that isn't particularly helpful. Whatever you do, don't write them off or disregard them. By taking the time to understand the root of their reluctance, and addressing it, they can be converted.

I'll say this though, there's no more powerful Change Agent than a reformed Innovation Killer. 🙏



Angus Dorney
co-CEO, Kablamo

LAST NIGHT – when I should have been sleeping – I found myself reminiscing about a conversation I’d had a while back with a close friend who had sought my counsel about how and when she should tell the guy she has just started seeing that she has suffered from bipolar disorder.

It’s an issue I’ve thought a lot about in recent years, specifically regarding the contexts of the workplace or being honest and upfront in a romantic relationship. And it’s one that angers me, because stigma still exists in our society to the extent that people who suffer from mental health issues feel the need to tread on eggshells in a manner that those with broken limbs would never need to.

I immediately responded that she should tell him if and when she feels comfortable telling him, and not a moment sooner. Like any other personal matter, we should only ever disclose them to people once we trust them.

This scenario is wholly relevant to the professional context for working professionals as well: we should only tell our boss/superior, or a trusted colleague, that we have suffered or are suffering from depression or anxiety or some other ailment at a time when we feel safe enough to do so.

However, there are limits to this.

While letting someone know what is going on

when we are comfortable may suit us, it may not necessarily suit the person to whom we make the disclosure. Here, stigma is a prominent feature.

I don’t mean this in the sense that they may not respond with empathy or kindness (although that is of course a possibility). What I mean is that the circumstances of disclosure may give an impression that we don’t want to give.

If my friend were to tell her new boyfriend that she has been sick before – and still sometimes suffers – in the heat of an argument that she may be at fault in, it could unfairly prejudice a portrayal of her capacity to manage her illness. If, however, she informed him during a routine conversation between the two of them, when they are both calm and relaxed, she may be much more likely to elicit a positive, considered response.

In a workplace scenario, we may be more likely to get an optimal response from our boss if we inform them of any issues when we are coming to them in a position of relative strength. That is, if and when we have already proved our ability to produce high-quality work, so that the respondent in the conversation has a more favourable barometer from which to analyse the situation.

This is problematic as it means that, often, people feel like they have to get a certain number of runs on the board before they feel comfortable about speaking up.

That all said, there are some ways around this.

We can first talk to someone within the workplace, such as a colleague on our level or someone in another team, to whom disclosure wouldn’t have any detrimental consequences. In a relationship context, we may have a friend whose objective opinion can provide us with the armour to approach the coming, major disclosure. Having these initial conversations can help us feel more comfortable talking about issues and give us strength to manage varying responses.



“THE CIRCUMSTANCES OF DISCLOSURE MAY GIVE AN IMPRESSION THAT WE DON’T WANT TO GIVE”

Here, the idea of disclosing health issues to someone of importance in our lives – a boyfriend, a boss – does not necessarily have to be a black and white situation whereby we tell them and it either goes well or badly. The scenario does not have to be as scary as that; there are certain strategies we can implement to get the most optimal result for ourselves.

Of course, this is not always possible. It may be the case that disclosure to a relevant individual is the only option we have to avoid a continued spiral, or a breakdown. If this is how you feel, then the consequences of telling someone are always going to come second to doing what is best for your own health and happiness. Nothing is more important than seeking help in that moment, and disclosure is the best way of protecting yourself.

Sometimes disclosure in this context will not have a happy ending for us, and we may lose a relationship or a job. But if that happens, then it wasn’t the right thing for us anyway.

So, if and where it is possible to be strategic about your disclosure, perhaps try doing it when there is as little chance of damage to yourself. It sucks that we still have to consider societal stigma with this issue, but if we manoeuvre the conversation to our advantage, a positive outcome is more likely.



Jerome Doraisamy
senior writer,
Wellness Daily

But have no hesitation in doing what is best for you if you feel like your health is in any danger. Your emotional and psychological state is of the utmost importance, and without it, you won’t be able to be at your best in a relationship or in a job anyway. 📧

How and when should you disclose mental health issues?

While we have, as a whole, made tremendous strides in raising awareness and combating stigma about ailments such as anxiety and depression, many workers still feel reluctant to speak up until such time as they have proven themselves

| by Jerome Doraisamy |



Andrew Azzopardi
 AzzCan Financial



Rishikesh Sapkota
 director,
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Simone Palfreyman
 principal,
 Palfreyman Chartered Accountants



Sue Tayler
 owner,
 Effective Services Bookkeeping



Buy in

The changes will be a step in the right direction. Allowing clarity to the practitioner of their rights and obligations. I think it's very important to have a framework that reminds you what your obligations are and the importance of a robust code of ethics.

Recent press concerning the financial services industry royal commission highlights the importance of high standards and ethics. It's very easy to get lost in practice, especially if you are a sole practitioner with a small or non-existent network.

Accountants need to buy in and maintain their skills and knowledge to protect the integrity of their profession.



Strict adherence

Although there are structures and substances adjustment to the fundamental principles, the code remains unchanged.

However, due to the changes now, the code requirements are stringently regulatory and enforceable. As a result, in the practice, we have to strictly follow the code, and we have to perform the jobs ethically.

Due to these changes, we have to use the improved conceptual framework (analytical tool), which tells us about the foreseeable threat in an organisation and implications for the moral and ethical challenges in the practice.

Furthermore, it is pertinent to use the safeguard to reduce/eliminate the threats and expand the relative responsibilities/obligations while interacting with the client in the job place.

The new code also requires us to maintain our professional knowledge and skill at the highest level where we can provide competent professional services to the client. In order to adhere to the new codes, we need to ask more questions to the clients and examine their records and need to verify the accuracy of information supplied by the client.



Clarity and guidance

The new Code of Ethics for Professional Accountants provides a clearer explanation of how Public Accountants need to consider their ethical obligations when dealing with their clients and staff. While the five fundamental principles are unchanged, the revised code is far easier to follow and allows practitioners to obtain a better understanding of their obligations.

As my firm has always had very high ethical standards, the new code will not have a significant effect on how we interact with our clients. We have always exercised professional judgment and considered the purpose, context and audience when preparing and presenting information for our clients. The strengthened inducement provisions are consistent with our existing policies. However, the additional guidance on identifying, evaluation and addressing threats has helped to expand our existing processes.



Increased documentation

Since the core principals of the Code have not fundamentally changed, there will be a subtle impact to the way we interact with clients rather than a "big bang". A large part of the code relates to audit or assurance engagements, which are not normally a service offered by a BAS agent.

What I do see changing is a more formalised way of assessing how we are applying the code's core principals, some of which have become mandatory.

As a very small bookkeeping practice, it's often easy to make decisions without documenting the detail. The mandatory requirements mean more time will need to be spent on documenting thought processes and conclusions.

While we would consider compliance with the principals as a normal part of our job, we will now more formally give information to clients in writing and also to ensure we have improved disclaimers to any financial statements, not just compilation engagements.

Q. The new, revised Code of Ethics for Professional Accountants is mandatory from 1 January 2020. How will the extensive changes affect your practice and the way you interact with clients?

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70

Tax agents under the microscope

The Black Economy Taskforce report and Tax Gap figures recently released have provided the government with enough ammunition to put the spotlight on our tax practitioner community

by Tony Greco



72

SMSFs and GST withholding on residential premises

The GST withholding regime was introduced on 1 July 2018 to collect GST from foreign vendors, but has much broader application

by Kimberley Noah and Daniel Butler



74

Working holiday maker or Australian tax discrimination?

On 30 October 2019, the Federal Court handed down judgment in *Addy v Commissioner of Taxation [2019] FCA 1768*. The decision casts doubt over the validity of the controversial 'backpacker' tax originally introduced in 2016

by Tracey Dunn



76

Employer alert: Car parking fringe benefits come to the suburbs

Judy White outlines the ATO's rewrite of the car parking fringe benefits taxation ruling and how it will impact you

by Judy White

Technical

Our technical section keeps you abreast of the regulatory, legislative and policy developments affecting the accounting profession

Tax agents under the microscope

| by Tony Greco |

Background

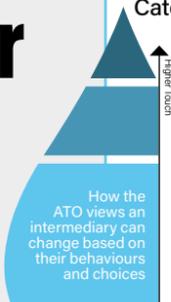
The Black Economy Taskforce report and Tax Gap figures recently released have provided the government with enough ammunition to put the spotlight on our tax practitioner community. The Australian Taxation Office (ATO) and the Tax Practitioners Board (TPB), the two key regulators of the tax profession, have been given extra funding to weed out rogue tax agents and encourage other tax agents identified as high risk to improve their business practices.

The assurance work being undertaken by the ATO on tax agents exhibiting risk factors is part of the government's overall effort to tackle both the black economy and reduce the tax gaps in the individual and small business sectors. Tax practitioners influence client behaviours and therefore play a critical role in addressing these issues.

Tax gap for individuals not in business was 6.4 per cent or \$8.4 billion with work related expenses (WRE) the biggest driver of the gap.

The random enquiry program highlighted high rates of adjustments in personal tax returns, with agent prepared returns adjusted 78 per cent compared with 57 per cent for self-preparers. The tax gap for small business was 12.5 per cent or \$11.5 billion, with the biggest contributor being black economy behaviour. The ATO has been provided with extra funding to increase its efforts to address the behaviour of higher risk agents and work with those agents who are at risk of becoming a concern in the future.

The ATO is well and truly embarked on this journey having already done hundreds of practice reviews of agents exhibiting high risk profiles. The ATO has labelled this project "Intermediaries Assurance Strategy" and expects over the coming years to have undertaken over 2,000 such reviews. The ATO will be sharing its findings with the TPB, so agents who have proven to have exhibited less than satisfactory behaviour can expect some further attention from the TPB.



THE ATO HAS RISK RATED TAX PRACTITIONERS USING THE FOLLOWING TEAR DROP MODEL:

INTERMEDIARY ENGAGEMENT MODEL

Categorising agent behaviour

Intermediaries of threat

- Unacceptable behaviour including: perpetuating fraud, evasion, theft, illegal activity and crime, misusing positions of trust.
- Firm, possibly multi-agency, approach to

immediately restrict the intermediary's operation and later remove their influence from the system.

- Penalties or sanctions - including criminal prosecution - will be applied where possible.

Intermediaries of concern

- Development, promotion or use of non-compliant arrangements (schemes).
- Consistent failure to correctly ascertain client's state of affairs.
- Provision of false or misleading advice.
- Poor compliance in own and practice affairs.

● The intermediary will be advised of the risks that are being observed and the practice and clients examined through review/audit.

- Where it appears the Code of Conduct (Tax Agent Services Act 2009) has been breached the agent or adviser will be referred to the TPB for investigation and possible sanctions.

Intermediaries of interest

- Opportunistically exploiting areas they believe are not being monitored.
- Poor/lax approach to internal controls.
- Returns or statements made to the ATO are often incorrect.
- Low capability in one or more areas (i.e. outside of their usual skillset or have not kept up to date with changes to law or policy).

● The practice will be advised of the risks that are being observed.

- The intermediary will be supported to understand the resources that are available to them to get back on track.
- Education will be provided where appropriate.

- Our interventions will be designed to target the issue/s that we're seeing quickly with minimal disruption.

Intermediaries of choice

- Internal controls and practices are strong.
- The intermediary has a strong technology foundation.
- Strong client selection (and refusal) policy.
- Reasonable care is taken to correctly establish the client's position.

● Skills and knowledge are kept up to date.

- Intermediaries can generally expect a low-touch approach.
- Where risks are observed, intermediaries will be given the opportunity to resolve these themselves without significant ATO intervention.

AS AT 30 JUNE 2019, THE ATO HAD COMPLETED 350 VISITS AROUND THE COUNTRY

TAX PRACTITIONER

Early Intervention Strategy: The first 350 visits

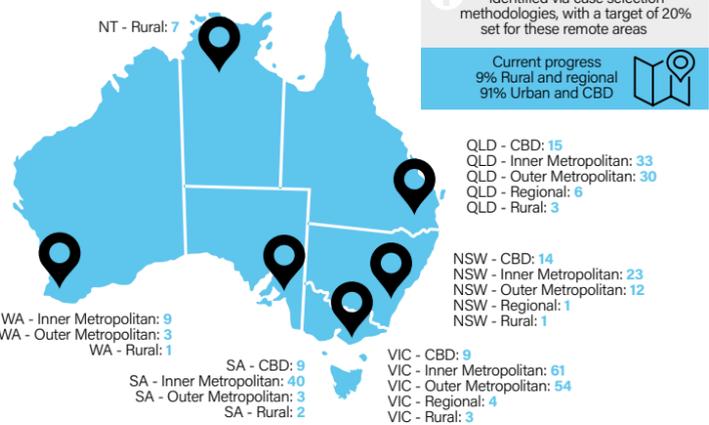
MARKET SEGMENTS

125,599 Individuals	2,363 Small to medium businesses
102,567 Micro businesses	574 Other

THE REACH OF OUR WORK

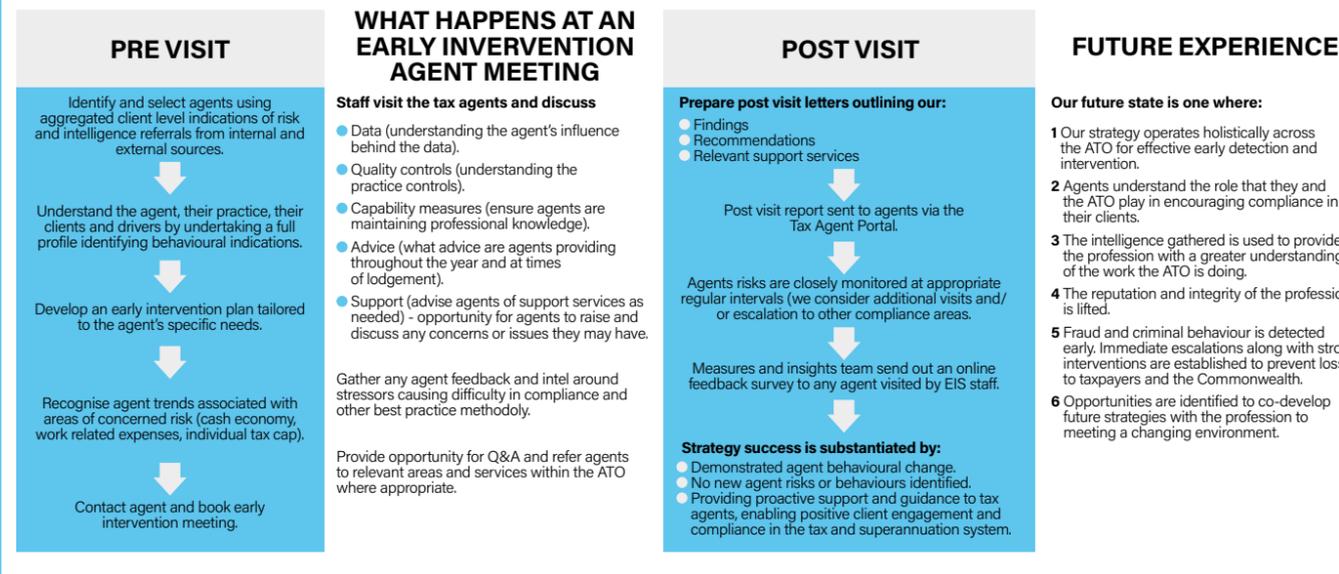
The one to many approach
Quantifying the client base of the 350 agents we visited. The agent's client base is captured to show the reach of our activities and the influence on the wider community.

VISIT COUNT, BY LOCATION



THE PROCESS OF CASE SELECTION AND WHAT HAPPENS DURING AN ATO REVIEW CAN BE SUMMARISED AS:

OUR PROCESS



Recommended actions for tax practitioners

Tax practitioners selected for a visit should not panic and we recommend that the individuals impacted co-operate with the ATO. We have had members who have had a visit and have come through with flying colours. In these cases, the tax agent's client base exhibited some red flags (clients with above average WRE claims, cash economy participants etc) and once the ATO had a first-hand visit and saw that the practice was doing all the things it expected, it confirmed that the practice was not in fact, high risk. Just because a practice is visited, does not imply that the tax agent is doing anything wrong. Sometimes a touch and feel approach is needed to properly assess an agent's risk profile. The factors that the ATO use to risk assess a practice may not be truly indicative of what is happening on the ground.

The ATO has a number of filters to assess an agent's risk profile. Factors that can increase a tax agents risk profile, while not

exhaustive, can include some of the following:

- Significant number of amendments to returns/ activity statements;
- Significant number of nil returns and activity statements;
- Clients receiving higher than average refunds or a higher refund than the previous tax agent;
- Number of pre-issue auto amendments for pre-fill discrepancies;
- Low portal usage and/or low use of pre-fill information;
- Paper lodgements;
- Number of returns with no ANZSIC code;
- Significant level of objections and reviews disallowed;
- Large number of practitioner hotline calls;
- Poor compliance with own tax affairs; and
- Clients showing:
 - Above average WREs;
 - High rental expenses;
 - Cash economy risk; and
 - Lifestyle model.

Some of the things the ATO would like to see evidence of when they are performing site visits:

- Membership of a professional body and CPD training to maintain skills and knowledge;
- Use of an engagement letter;
- Working papers/checklist to ascertain clients' state of affairs and exercising reasonable care, appropriate for the assignment;
- Have sufficient processes in place to verify the identity of new clients;
- Discuss with clients the rules surrounding work related expenses;
- Have measures in place to substantiate clients' work-related expenses;
- Encourage clients to review their records to ensure they have correctly recorded and reported all income and deductions for their business, especially cash transactions; and
- Have effective measures in place to correctly report clients' cash income.



Tony Greco FIPA
general manager of technical policy, IPA

SMSFs and GST withholding on residential premises

The GST withholding regime was introduced on 1 July 2018 to collect GST from foreign vendors, but has much broader application

| by Kimberley Noah and Daniel Butler |

GST IS typically a vendor responsibility. However, under the withholding regime, purchasers of certain residential property must withhold GST from the amount payable to a vendor and pay that amount direct to the ATO at settlement (withholding obligation).

This article examines key aspects of the withholding regime with particular emphasis on how it impacts SMSFs.

All section references are to the *Taxation Administration Act 1953 (Cth)* (TAA) unless otherwise stated.

Legislation changes affecting depreciation in a nutshell

A purchaser will have a GST withholding obligation if they are a recipient of a taxable supply, by way of sale or long-term lease (i.e. 50 years or more) of:

- new residential premises that:
 - are not commercial residential premises; or

- have not been created through substantial renovations of a building; or

- land that could be used to build new residential property, e.g. potential residential land that is included in a property subdivision plan and does not contain any building that is in use for a commercial purpose.

If the above requirements are met and no exceptions apply, the purchaser is required to pay the GST withholding amount directly to the ATO at settlement.

Following settlement, the vendor will be entitled to a credit for the amount paid to the ATO, with the credit arising at the time the net amount is assessed on the vendor's GST return.

What is a taxable supply?

Note that a purchaser will only have a GST withholding obligation where the vendor is making a taxable supply.

A supply of new residential premises or potential residential land in Australia will be a taxable supply if the vendor is registered or required to be registered for GST and the supply is:

- made for consideration;
- made in the course or furtherance of an enterprise that is carried on by the vendor;
- the supply is connected with the indirect tax zone (i.e. Australia); and
- not a GST-free or input taxed supply – for example, a supply made as part of a GST-free supply of a going concern or a supply of GST-free farmland.

(See s 9–5 *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* (GST Act)).

Accordingly, if a vendor is registered or required to be registered for GST and the supply is made in the course of the vendor's enterprise, GST at settlement may apply.

What amount must be withheld and paid to the ATO?

Typically, when calculating GST on the net GST exclusive amount, GST is calculated as 10 per cent of the GST exclusive amount.

Under the withholding regime, generally 1/11th of the contract or sale price must be paid to the ATO, including both monetary and non-monetary consideration, unless:

- the contract is expressed to be a specified amount plus GST; or
- a relevant exception applies, including:
 - Where the margin scheme applies – 7 per cent of the purchase price.
 - Where the supply is between 'associates' (as broadly defined)



“THE WITHHOLDING REGIME PLACES THE PRIMARY RESPONSIBILITY ON THE PURCHASER TO PAY THE GST AMOUNT TO THE ATO”

for less than the GST-inclusive market value consideration – 10 per cent of the GST-inclusive market value of the supply.

- Where the supply is a part taxable supply – a reduced amount that is a proportion of the contract price.
- Where the supply is to multiple recipients (not including joint proprietors) – for each recipient, the proportion of the taxable supply that is deemed to be made to them in the relevant circumstances.

Note that the margin scheme can apply to exclude some of the pre-GST value of the land from the GST system.

GST withholding obligations for SMSF trustees

Broadly, an SMSF trustee will be required to register for GST where they are carrying on an enterprise, and their annual GST turnover is or is expected to be \$75,000 or more (s 2–23 of the GST Act). Note that an SMSF trustee may also register voluntarily where the GST turnover is under this amount.

Generally, the investment activities of an SMSF will be subject to input tax without any income tax credit (ITC) being available to the fund. Not many SMSFs make taxable supplies as GST is typically not required to be collected on an SMSF's output.

However, certain transactions undertaken by SMSFs will constitute a taxable supply. For example, an SMSF renting a commercial building to a third party will, subject to the \$75,000 per annum turnover test, have to collect and remit any GST collected on rent it receives. Conversely, any GST payable by an SMSF on taxable activities may be offset against the GST payable to the ATO (i.e. the SMSF can claim an ITC for inputs related to the taxable supply in question).

Similarly, an SMSF that is constructing new residential property for sale will typically constitute an enterprise giving rise to GST obligations. An SMSF merely constructing a new residential property for rental purposes will generally constitute an input taxed

supply unless the property is sold within five years. GST turnover generally does not include amounts subject to input-tax supplies. However, GST turnover includes:

- rental income from property used for commercial purposes; and
- income derived from business assets.

In the context of the withholding regime, a withholding obligation does not arise on the transfer of property arising from a change of trustee, nor does it arise where a property is transferred from a custodian entity to an SMSF trustee on the finalisation of a borrowing under a limited recourse borrowing arrangement.

SMSF trustees should be aware of the withholding regime when selling or purchasing property. Several variables must be considered when selling or purchasing property to determine if there is a withholding obligation.

Practical implications of the withholding regime

Vendors of residential premises or potential

residential land are required to notify the purchaser of their withholding obligation in writing prior to settlement. This obligation applies regardless of whether the residential property or potential residential land is 'new'.

Vendors are not required to provide notice if the transaction is a supply of:

- commercial residential premises; or
- potential residential land where the purchaser is registered for GST and is acquiring the land for a creditable purpose.

The notice must broadly state whether the purchaser has a withholding obligation and the amount to be withheld at settlement.

If there is a withholding obligation, the purchaser must report the transaction to the ATO before settlement by completing the prescribed ATO forms. At settlement, the purchaser must pay the amount withheld to the ATO. Naturally, the purchaser's property lawyer or conveyancer should guide the purchaser with this process.

What penalties apply?

The withholding regime places the primary responsibility on the purchaser to pay the GST amount to the ATO and administrative penalties may be imposed if a purchaser fails to comply. Penalties can also apply to vendors, but as this article demonstrates, the primary obligations fall on the purchaser.

Conclusion

SMSF trustees who are planning to dispose of or acquire residential property that is covered by the GST withholding regime should take note of the obligations that may arise. While the vendor is broadly obligated to notify the purchaser of the GST obligations, the purchaser is required to pay the GST to the ATO.

Whether an SMSF trustee is a vendor or purchaser in relation to a property transaction, they should seek prior input and ensure they comply with the GST withholding regime.

Note that the above commentary is a general summary only and is not intended to be relied on as advice. ☺



Daniel Butler,
director, DBA Lawyers



Kimberley Noah
lawyer, DBA Lawyers

Working holiday maker or Australian tax discrimination?

On 30 October 2019, the Federal Court handed down judgment in *Addy v Commissioner of Taxation [2019] FCA 1768*. The decision casts doubt over the validity of the controversial 'backpacker' tax originally introduced in 2016

| by Tracey Dunn |

JUSTICE JOHN LOGAN held that the tax contravened the anti-discrimination provisions of the Double Taxation Agreement (DTA) between Australia and the UK, in particular, Article 25 (1), which in respect of taxation provides that the states shall not tax nationals of the other state in a more burdensome way than their own nationals in the same circumstances.

This essentially means that if the taxpayer is a resident for Australian tax purposes, it would be a contravention of the DTA to tax the resident who is employed on a working visa differently to an Australian resident (as a foreign national would be required to be a resident of Australia for tax purposes for the provision to apply).

In this case, Ms Addy was found to be a resident of

Australia for the purposes of s6 of the *Income Tax Assessment Act (1936)*.

However, the commissioner amended her assessment for the 2017 year on the basis Ms Addy was working in Australia on a working holiday visa, classed as a 'working holiday maker' and as such unable to claim the benefit of the tax-free threshold.

Despite meeting criteria to be assessed as an Australian tax resident, the fact she was working on a working holiday visa meant she was denied the tax-free threshold.

The unfortunate reality for Ms Addy was that an Australian tax resident working on any other basis (e.g. citizen, permanent residency etc), doing the same work as Ms Addy, would have been able to claim the tax-free threshold.

It is this disparity between the taxation of nationals of two different states, in the same circumstances, that results in a contravention of the anti-discrimination provisions of Australia and UK DTA.

Individuals who have been taxed as a 'working holiday maker' should proceed with caution before seeking to amend prior year returns.

It appears the decision may only have an application where there is:

- A double taxation agreement in place between the country of origin of the 'working holiday maker' and Australia;

- The double taxation agreement contains an anti-discrimination clause consistent with the one in the UK/Australia DTA; and
- The working holiday maker satisfies the 'residency' requirements of s 6 of the *Income Tax Assessment Act (1936)*.

If the 'working holiday maker' is not able to satisfy these requirements, it appears the 'working holiday maker' rates under s3A of the *Rates Act* will still apply.

Those who can satisfy the above requirements are still cautioned to proceed with care as there has not been an announcement yet as to

whether the Commissioner of Taxation will appeal the decision.

If there is an appeal, it could be some time before taxpayers have certainty as to the validity of the so-called 'backpacker tax'.

On face value, the anti-discrimination provisions of the DTA appear very clear. This raises the question as to why the provisions weren't considered when the legislation was first drafted by Treasury. On review of the explanatory memorandum for the Treasury Laws Amendment (Working Holiday Maker) Bill 2017, it appears there is no consideration in respect

83.5

THOUSAND

The number of primary visa holders in Australia from Q2 2017 to Q2 2018. A 7.9 per cent decrease from the previous 12 months. (Department of Home Affairs)

of compliance with anti-discrimination provisions with DTA's of any country, let alone the UK.

As this decision casts doubt over the functionality of the legislation, particularly where it may prove to be invalid in respect of working holiday makers from certain foreign

jurisdictions, it raises the question: should Australian tax policy have 'carve-outs' for certain taxpayers, or should it have a broader (no-exclusion) approach?

The decision also raises the question about what other circumstances tax legislation (or proposed legislation) has resulted in a situation where certain classes of Australian taxpayers are treated differently to others in the same circumstance.

One only needs to look at the recent changes to limited deductions for vacant land to see a pattern of discrimination and subclasses impacting Australian

"INDIVIDUALS WHO HAVE BEEN TAXED AS A 'WORKING HOLIDAY MAKER' SHOULD PROCEED WITH CAUTION BEFORE SEEKING TO AMEND PRIOR YEAR RETURNS"

resident taxpayers, let alone taxpayers on working holiday visas.

The ATO has issued a statement that if the Addy decision is not appealed it will only have an application to working holiday makers from the UK, Germany, Japan, Finland, Chile, Norway and Turkey.

These workers will still need to establish they are a resident of Australia for tax purposes for the decision to apply to their individual circumstances.

Employers of working holiday makers are not required to take any action. Working holiday makers who are residents of the aforementioned jurisdictions and believe they should be taxed as a 'resident' of Australia, will need to demonstrate that they were residents for Australian tax purposes, and this will need to be determined on a case-by-case basis. 📌



Tracey Dunn
senior manager,
RSM Perth

Employer alert: Car parking fringe benefits come to the suburbs

Judy White outlines the ATO's rewrite of the car parking fringe benefits taxation ruling and how it will impact you

| by Judy White |

THE AUSTRALIAN TAXATION OFFICE (ATO) has released the long-awaited rewrite of the car parking fringe benefits taxation ruling.

A draft ruling TR 2019/D5 was released on 13 November 2019. The draft ruling is a rewrite of TR 96/26 (now withdrawn), and accordingly provides updates to the previous ATO view that has existed for more than 20 years.

The most significant development in the new draft ruling is the risk that certain shopping centre paid car parks can be captured as fringe benefits (and car parks with similar arrangements).

That is, the draft ruling states the ATO's view is if a car park allows all-day parking, but its fee structure discourages it with higher fees (such as paid car parking arrangements at shopping centres),

the car park can still be considered a commercial parking station if it satisfies the requirements to be a 'commercial parking facility'.

Generally, a car park will be a 'commercial parking facility' where it is run to make a profit. The most important difference between the withdrawn TR96/26 and TR 2019/D5 is that the new ruling does not have a general exclusion for shopping centre car parks that provide free short-term parking for shoppers and higher rates for all-day parking.

Now you have to consider whether the parking facility is run to make a profit. This may be very difficult to know for employers not associated with the car park. It is understood the ATO will be giving more guidance in its guide for employers.

This means that fringe benefits tax (FBT) can apply



Swanky stables
Australia has been ranked the most expensive country in the world for daily off-street parking (carparks) at an average cost of \$43.58, according to the *Parkopedia 2019 Global Parking Index* report. Australia was well ahead of second placed Switzerland's \$37.47

under the draft ruling to the provision of car parking by employers to employees on their business premises, broadly where:

- A paid shopping centre car park, or similar facility, is within a one-kilometre radius of the employer's business premises;
- The car park charges greater than the car parking threshold (currently \$8.95 for the 2019-20 FBT year) for all-day parking to the public;
- The other conditions of a car parking fringe benefit arise for an employee of an employer, for example,

parking for at least four hours, the car is parked within the vicinity of the place of employment, and is in respect of employment etc; and

- The car park provides parking in the ordinary course of business and the facility is commercial (i.e. it is run to make a profit).

If the draft ruling is finalised on this basis, it will apply from 1 April 2020 in relation to this change for the 2020-21 FBT year onwards. Small businesses are not impacted by this draft ruling where they are eligible for the existing exemption from car parking fringe benefits (generally where the employer's turnover is <\$10 million).

The following case study examples assume the draft ruling is finalised in its current form, the employer is not a small business, and the

CASE STUDY

EXAMPLE TWO

An employer operates a business at a suburban shopping centre that provides for paid car parking with an all-day parking rate of \$36. Ten of its employees park in the staff car park for free. There is a bus interchange outside the shopping centre and a train station in close proximity. Commuters park at the shopping centre and take a train/bus into the city to work for the day. The car park is run for dual purposes, for both shoppers and commuters, and does this in its ordinary course of business and is run to make a profit. This is communicated to tenants. There is another commercial parking station for FBT purposes within a kilometre radius that charges \$8 per day. The employer will have an FBT liability for car parking by its employees, as the shopping centre car park will be considered a commercial parking station for FBT purposes. Noting the employer is able to choose the lowest daily rate charged by a commercial parking station within a one-kilometre radius. If the employer values the car park spaces using the statutory formula and the commercial parking station method under the legislation, then it will have a car parking fringe benefit for the 2020-21 year of approximately \$18,240; (broadly being 10 spaces x \$8 x 228 business days). This would result in FBT of \$17,833 (being \$18,240 x 2.0802 x 47 per cent).

CASE STUDY

EXAMPLE ONE

An employer operates a business at a suburban shopping centre that provides for paid car parking with an all-day parking rate of \$36. Ten of its employees park in the staff car park for free. There is no other commercial parking station for FBT purposes within a kilometre radius that charges car parking. The shopping centre has sought advice on the application of the ruling to its parking, concluding that it is not commercial in nature (and not run to make a profit). This is communicated to tenants. The employer will have no FBT liability for car parking by its employees, as there is no commercial parking station within a one-kilometre radius of the shopping centre car park.

CASE STUDY

EXAMPLE THREE

Please assume the same facts as in Example 2 except that there is no other commercial car park within a kilometre radius other than the suburban shopping centre car park. An employer operates a business approximately 450 metres from a suburban shopping centre that provides for paid car parking with an all-day parking rate of \$36. Ten of its employees park at the back of the business and pay \$5 per day (e.g. \$1,140 is paid by each employee in a year). The shopping centre runs the car park to make a profit, which is made public on the website of the shopping centre. The employer will have an FBT liability for car parking by its employees, as the shopping centre car park will be considered a commercial parking station for FBT purposes. If the employer values the car park spaces using the statutory formula and the commercial parking station method under the legislation, then it will have a car parking fringe benefit for the 2020-21 year of approximately \$70,680; (broadly being 10 spaces x \$36 x 228 business days less \$1,140 x 10 employees). This would result in FBT of \$69,103 (being \$70,680 x 2.0802 x 47 per cent).



Judy White
associate director of tax,
BDO Brisbane

6.63

PER CENT
The increase in the average daily price for Australian off-street parking from 2017
Source: Parkopedia

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

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Kartikey Chauhan
Nicky Chen
Mitali Contractor
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Michaela Delaforce
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