

INTHEBLACK

SEPTEMBER 2021

"I get to bring my corporate skills to the business, but also be involved in something that's such an important part of the community. It really is the best of both worlds for me."

LOW BLOW
Investment bubbles

LEAP OF FAITH
Prepare for quantum computing

RISE TO THE CHALLENGE
Pay rises in a recession

On the ball

Melissa Azzopardi CPA has helped Tennis Australia navigate the financial curveballs of the pandemic, and now she is poised to do the same for the Australian Football League.

LEADER Shift

VIRTUAL CONGRESS

2021

20-22 Oct.

cpaaustralia.com.au/congress



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2020 COMPLIANCE

R 18



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*Offer applies to 2020 complied R 18 motorcycles ordered and delivered between 01.07.2021 and 30.09.2021 at participating BMW Motorrad dealers. While stocks last. Cannot be combined with any other offers. Stock may vary between BMW Motorrad dealers. Contribution of \$5,000 towards accessories is provided as a discount on the invoiced price of accessories for the BMW R 18 motorcycle and cannot be redeemed for cash. Limit one per customer. BMW Australia reserves the right to change, withdraw or extend the offer without notice.



GATHERING THE PROFESSIONAL COMMUNITY

Welcome to the September issue of INTHEBLACK.

It was wonderful to see members virtually at our recent Public Practice Virtual Conference. This is a challenging time for members in public-facing roles, particularly those in cities experiencing lockdowns. Coming together as a professional community is more important than ever.

Members will soon have another opportunity to gather, at CPA Australia's Virtual Congress. Attendees will hear from an impressive line-up of speakers, including Michelle Obama, former first lady of the US, and the Honourable Julia Gillard AC, Australia's 27th prime minister. Congress's virtual format is a game changer, making attendance easy while keeping sessions highly interactive and costs low.

Many of you have no doubt been experiencing your busiest time of year over the past few months, with the end of the financial year in Australia. We've been working hard to provide you with the professional tools, resources and support you need to get through this period, wherever you are located.

Members can access and share practical resources such as webinars, reports, guides and templates from our [website](#). In addition, there's a new [Tax Community discussion group](#) on Member Connect, where you can ask questions and join discussions about tax updates and changes. We also ran a successful media campaign to educate the public about their tax obligations and the value of seeing a CPA Australia registered tax agent.

For members working in the critical field of insolvency, the responsibilities and workload are equally onerous. Insolvency practitioners deliver outcomes on behalf of the government that are critical to the wellbeing of the economy and society. The very nature of insolvency and bankruptcy means that there can never be a perfect outcome. It is only through the skilled and diligent work of insolvency practitioners that the fairest outcomes are achieved.

It is very pleasing to see that a new generation is keen to take on these and the many other important responsibilities of being a CPA. Our semester two enrolments got off to a great start, with 7795 ASAs enrolling on the first day. This is the highest day-one enrolment number we have seen for the past five years. ■

Merran Kelsall FCPA, CPA Australia president and chairman

This is a challenging time for members in public-facing roles, particularly those in cities experiencing lockdowns. Coming together as a professional community is more important than ever.

INTHEBLACK

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AND PUBLISHING

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HAVE SOMETHING TO SAY?

> Feedback should be kept to fewer than 250 words and may be edited for length and style. All submissions will be considered.

> Connect with CPA Australia online at cpaaustralia.com.au or call 1300 737 373 (within Australia), or +61 3 9606 9777 (outside Australia).



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LET'S GET SOCIAL

PRINT AND DIGITAL AWARDS



Mumbrella Publish Awards 2021 FINALIST

BUSINESS MAGAZINE OF THE YEAR
ASSOCIATION OR MEMBER MAGAZINE OF THE YEAR
SPECIAL EDITION OF THE YEAR

2019 FINALIST
MAGAZINE COVER OF THE YEAR - BUSINESS

2018 WINNER
BEST USE OF SHORT-FORM VIDEO

2016 WINNER
ASSOCIATION OR MEMBER MAGAZINE OF THE YEAR



Communicator Awards 2018 GLOBAL WINNER, EXCELLENCE INTHEBLACK.COM BLOCKCHAIN VIDEO



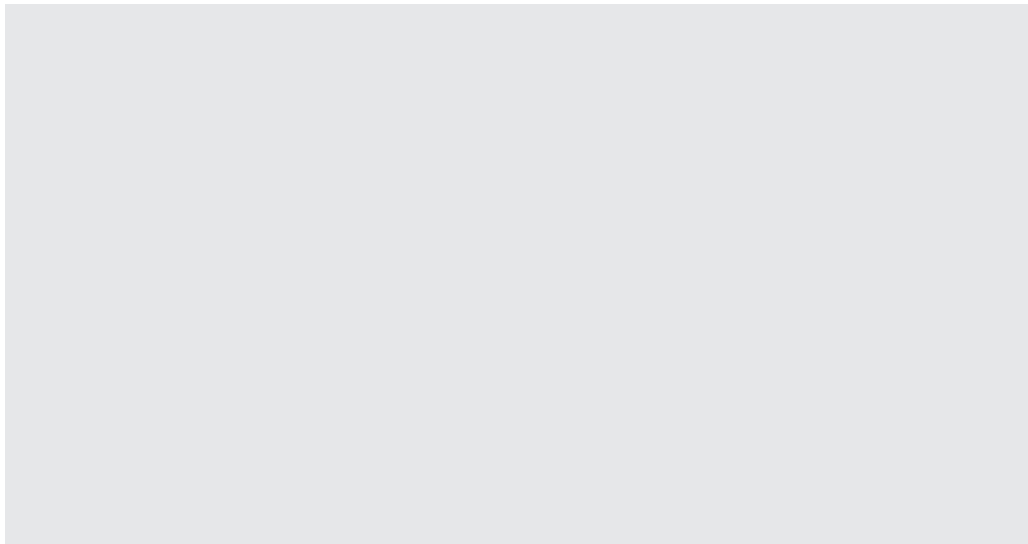
Telly Awards 2018 GLOBAL WINNER, SILVER INTHEBLACK.COM BLOCKCHAIN VIDEO



Content Council, Pearl Awards 2017 GLOBAL WINNER, BRONZE CPA AUSTRALIA FOR BEST USE OF EMAIL
2016 GLOBAL WINNER, GOLD BEST ASSOCIATION/ NONPROFIT PUBLICATION 2016

INTERACT

DISCUSSIONS, REACTIONS AND ONLINE ADDITIONS



▶ OPEN VIDEO IN A NEW WINDOW

VIRTUAL CONGRESS 2021

The ongoing upheaval of the pandemic demonstrates the need for a series of shifts - in the way we think and work, in the way we interact with people and how we plan for and measure success.

CPA Australia's upcoming Virtual Congress 2021, running to the theme of "Leadershift", acknowledges and celebrates the changes already under way and those that lie ahead.

Taking place from 20 October to 22 October, the [program](#) features an

impressive group of speakers, including Michelle Obama, former first lady of the US, Indra Nooyi, former chair and CEO of PepsiCo, the Honourable Julia Gillard AC, former prime minister of Australia, and award-winning political commentator David Speers.

The three-day online experience comprises both live and pre-recorded sessions, networking opportunities and interactive activities, as well as [new features](#) such as video chatting and a photobooth.



CLICK HERE TO REGISTER for CPA Australia's Virtual Congress

Elinor Kasapidis,
senior manager tax
policy, CPA Australia

AT A GLANCE

■ A detailed plan for implementation of a new solution for corporate taxes is to be finalised by October this year.

■ Part of the new solution includes a simplification and streamlining of baseline marketing and distribution activities and the removal of all digital services taxes.

■ Implementation could provide opportunities to address existing difficulties in the resolution of cross-border tax disputes.

TWO-PILLAR PROGRESS

THE OECD/G20 INCLUSIVE FRAMEWORK HAS RECENTLY MADE PROGRESS TOWARDS ADDRESSING THE TAX CHALLENGES ASSOCIATED WITH DIGITALISATION, WITH MORE THAN 130 JURISDICTIONS COMMITTING TO A JOINT SOLUTION ON CORPORATE TAXES.

The OECD/G20 Inclusive Framework on base erosion and profit shifting (BEPS) is undertaking work to address the tax challenges raised by digitalisation. As of July 2021, more than 130 Inclusive Framework member jurisdictions have committed to a two-pillar solution, with a detailed implementation plan to be finalised by October 2021.

According to the [statement](#) by the Organisation for Economic Co-operation and Development (OECD), under Pillar One, the largest profitable multinational enterprises (MNEs) will have a percentage of their residual profit allocated to the market jurisdictions where their goods and services are used or consumed. This will make those profits subject to tax in the market jurisdiction. However, enterprises operating in extractive and regulated financial services industries will be excluded.

Further, there will be a simplification and streamlining of baseline marketing and distribution activities, as well as the removal of all digital services taxes and other similar and relevant measures.

Pillar Two comprises the Global Anti-Base Erosion (GloBE) rules and a Subject to Tax Rule (STTR). The GloBE rules will impose a top-up tax on a parent entity,

where its constituent entities are taxed at a low rate (the Income Inclusion Rule) and will deny deductions or require adjustments in relation to the low tax income that is not subject to the top-up tax (the Undertaxed Payment Rule). The STTR will allow source jurisdictions to impose tax on certain related party payments that are taxed below a minimum rate via treaties.

The GloBE rules will apply to MNEs meeting the country-by-country reporting thresholds and impose a top-up tax based on the effective tax rate test in each jurisdiction. The minimum effective tax rate will be at least 15 per cent.

A UNIFIED APPROACH

The OECD estimates that taxing rights on over US\$100 billion (A\$136 billion) of profits will be reallocated to market jurisdictions, while the global minimum tax will generate an additional US\$150 billion (A\$203 billion) each year. In addition, the OECD states that the replacement of unilateral and uncoordinated tax measures with a unified approach provides greater tax certainty and a reduction in compliance and administration costs, leading to a more favourable global investment environment.



**CLICK HERE
TO ACCESS
CPA Australia's
policy pages**



While the progress to an agreed commitment is a positive step, many details remain to be sorted out. For MNEs and their advisers, significant uncertainty remains in terms of the formulas, carve-outs, simplifications, exemptions, adjustments and dispute resolution processes.

With the rules expected to be implemented by 2023, the ambitious timeframe places significant pressure on lawmakers, policy advisers and tax administrators to understand the impacts of the proposed plan on their jurisdictions and determine their approach to implementation.

Jurisdictions that currently offer corporate tax rates lower than the yet-to-be-determined minimum effective tax rate, or whose exemptions and incentives reduce the effective tax rate below the threshold, will need to consider the implications for their economic and fiscal policy settings.

OPPORTUNITIES TO ADDRESS CHALLENGES

The intention to reduce administration and compliance costs has been welcomed. However, experience with transfer pricing and country-by-country reporting requirements suggests that there will be challenges.

The implementation of Pillars One and Two may also provide an opportunity to address existing difficulties

with the timely and efficient resolution of cross-border tax disputes, and the proposal to include dispute prevention and resolution mechanisms will be critical to avoid double taxation.

As the two-pillar solution progresses, tax administrations will need to engage with affected MNEs and their advisers to ensure that the new rules are understood and adopted.

It is also likely that there will be an increased use of and dependence on multilateral advance pricing agreements, mutual agreement procedures (MAPs) and perhaps even joint audits to provide certainty.

This is likely to place pressure on tax administrators to enhance their engagement with other jurisdictions and seek to resolve disputes in a more timely manner, with the Inclusive Framework also monitoring MAP provisions under [BEPS Action 14](#).

After the detailed plan is released in October, there remain further steps, including the ratification of a multilateral instrument, which would underpin Pillar One and the passage of the rules through each jurisdiction. The extent to which there will be unanimity and agreement upon the details remains to be seen. ■

GET SMART

SEPTEMBER 2021

COMPILED BY SUSAN MULDOWNEY

TOP 10 OVERWORKED CITIES

OUR LIVES AT WORK

The quality of work-life balance can depend on location. The *2021 Work-Life Balance Index*, from cloud-based software company Kisi, shows Hong Kong, Singapore and Bangkok are the top three cities with the most overworked populations in the world, while Helsinki, Oslo and Zurich have the best work-life balance.

The index compares data on work intensity, institutional support, legislation and liveability. According to the index, “overworked populations” refers to full-time employees who work more than 48 hours in each working week, above the International Labour Organization’s recommendation of a 40-hour working week.

[READ THE INDEX HERE](#) 

MOST OVERWORKED CITIES:

- 01 HONG KONG
- 02 SINGAPORE
- 03 BANGKOK
- 04 BUENOS AIRES
- 05 SEOUL
- 06 TOKYO
- 07 HOUSTON
- 08 KUALA LUMPUR
- 09 CALGARY
- 10 LONDON

THE BEST WORK-LIFE BALANCE:

- 01 HELSINKI
- 02 OSLO
- 03 ZURICH
- 04 STOCKHOLM
- 05 COPENHAGEN
- 06 OTTAWA
- 07 MUNICH
- 08 VANCOUVER
- 09 AMSTERDAM
- 10 SYDNEY

“Vaccine policy this year, probably next year, is going to be the most important economic policy; it may beat even monetary and fiscal policy in terms of significance...A prerequisite to bring the world to a sustained high level of growth everywhere is to vaccinate all people, and that is not yet done.”



**KRISTALINA
GEORGIEVA**

MANAGING DIRECTOR,
INTERNATIONAL MONETARY
FUND

Source: CNBC



24%

OF AUSTRALIANS WOULD BE WILLING TO HAVE PART OF THEIR SALARY PAID IN BITCOIN.

Of those willing to be paid in Bitcoin, 14 per cent say it's because they think Bitcoin is going up in value, while another 10 per cent say it would help them invest in digital currency before tax.

Source: Finder survey of 1000 respondents



**SINGAPOREANS
SEEK NEW
SKILLS**

The older you get, the more willing you are to learn new skills. That's the case with older workers in Singapore.

A new study by JobStreet in partnership with SEEK Asia, Boston Consulting Group and The Network has found that, in the wake of job market upheaval due to the pandemic, 62 per cent of Singaporeans are willing to retrain, while 36 per cent are willing to retrain but only if the need arises.

Singaporeans aged 61 and above are the most willing to gain new skills, with 67 per cent saying they are ready and willing to retrain whether or not it is required.

HUMAN RIGHTS IN THE SPOTLIGHT

A new report that measures the human rights performance of ASX-listed finance corporations has found that the 22 companies studied are largely failing to manage the risk of potential human rights breaches.

The 2020 Financial Services Human Rights Benchmark Report from the University of Sydney's Law School shows that, in addition to piecemeal human rights governance, none of the 22 sample companies analysed identified human rights as a key source of non-financial risk. This is despite these rights being

implicit within the standard non-financial "risk trifecta" of operational, compliance and conduct risks.

While many of the 22 companies have human rights policies and relevant due diligence procedures, the research has found that none mandate that their board or key committees

consider human rights, as envisaged in the *UN Guiding Principles on Business and Human Rights*.

"This absence of board accountability and responsibility has significant implications for human rights," says Dr Kym Sheehan, a leading corporate law expert and co-author of the report.

THE 22 COMPANIES WERE ASSESSED AGAINST SIX HUMAN RIGHTS CATEGORIES:



PRIVACY AND
INFORMATION



ECONOMIC
SECURITY



VOICE AND
PARTICIPATION



ANTI-DISCRIMINATION



HEALTH
AND SAFETY



RIGHT
TO REMEDY

DOWNLOAD THE REPORT HERE

READ THE REPORT HERE

INSIDE THE MIND OF A CFO

Australian CFOs are concerned that low pay packets will fuel employee turnover as the competition for top talent heats up. These are just some of the things on the minds of CFOs, according to Robert Half's *Salary Guide 2021*.

78%

are concerned about losing their top finance talent

62%

are willing to increase their initial salary offering for new financial talent

61%

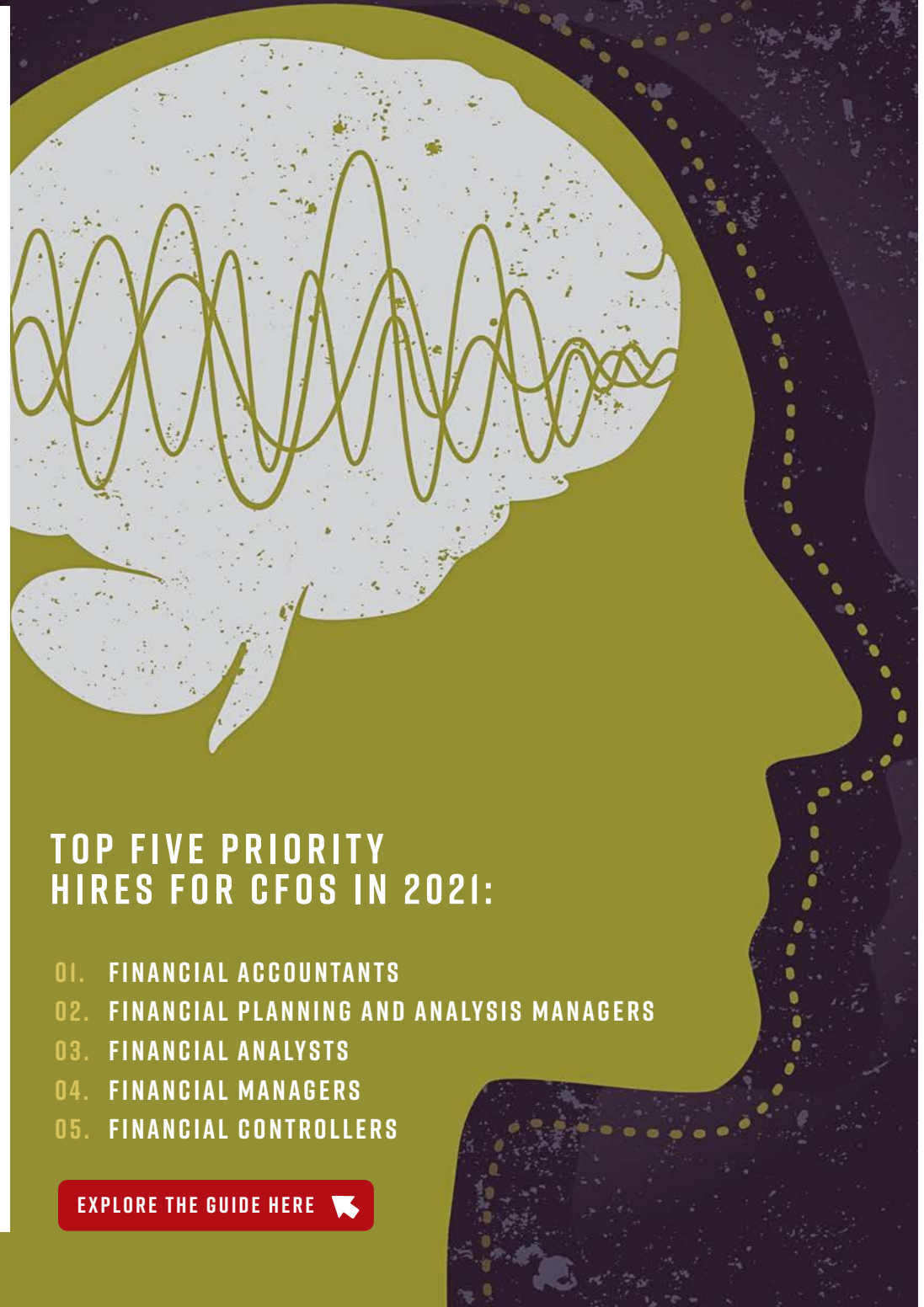
plan to extend salary increases to finance staff in the coming year

61%

are introducing new non-financial employee benefits to attract new hires

38%

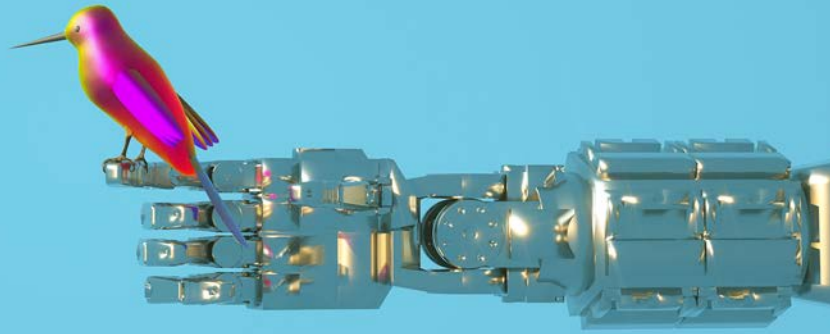
believe it will be more challenging to find qualified employees compared to before the pandemic



TOP FIVE PRIORITY HIRES FOR CFOS IN 2021:

01. FINANCIAL ACCOUNTANTS
02. FINANCIAL PLANNING AND ANALYSIS MANAGERS
03. FINANCIAL ANALYSTS
04. FINANCIAL MANAGERS
05. FINANCIAL CONTROLLERS

[EXPLORE THE GUIDE HERE](#) 



MALAYSIA VERSUS MACHINES

Most Malaysians view technology as a source of opportunity rather than risk, but 71 per cent are concerned that automation is jeopardising many jobs. This is one of the findings from PwC's *Hopes and Fears Survey 2021 Malaysia* report. The concern marks a significant increase from last year's survey (34 per cent) and is higher than the global average of 60 per cent.

The survey includes responses from 2003 Malaysians, who share their views on issues such as technology, jobs and skills. The results also show 57 per cent have improved their digital skills since the outbreak of the pandemic.

[ACCESS THE SURVEY HERE](#) 



81%

OF BANKED CONSUMERS BELIEVE THEIR FINANCIAL SITUATION WOULD BE BETTER IF THEY KNEW MORE ABOUT HOW FINANCES WORK.

Source: [A study of 2000 global consumers by banking and financial services platform Mambu](#)

CPA AUSTRALIA DISCIPLINARY TRIBUNAL PANEL SEEKING EXPRESSIONS OF INTEREST FOR APPOINTMENT TO THE PANEL

CPA Australia is one of the world's largest professional accounting bodies with a global membership of more than 168,000 members (as at 31 December 2020) working in finance, accounting and business, in more than 100 countries and regions around the world.

CPA Australia is a self-regulating professional association whose members voluntarily agree to be bound by CPA Australia's Constitution, By-Laws, Code of Professional Conduct and Applicable Regulations. CPA Australia recognises that the complaints process is an important step in ensuring professional standards are upheld by all members and its approach to the disciplinary process is guided by the principles of procedural fairness, confidentiality, independence and the right of appeal.

CPA Australia maintains a Disciplinary Panel of members and community representatives who can be called upon to form a Tribunal to hear a complaint about a member. As an independent Tribunal, it must make its own assessment of the case put forward on behalf of CPA Australia.

Candidates are sought from within CPA Australia's membership, and from non-members with expertise in fields outside the accounting profession. Candidates should possess high standards of ethics and be analytically minded. Expressions of interest are particularly sought from people with a legal or accounting/financial background and are not limited to Australia. Overseas applications, particularly Hong Kong and Malaysia, are welcome.

Further information on the selection criteria and how to apply can be found at cpaaustralia.com.au.

CPA Australia promotes and encourages inclusion and diversity in the workplace and is an Equal Opportunity Employer.

Applications close at **5.00pm AEST on Friday 24 September 2021.**

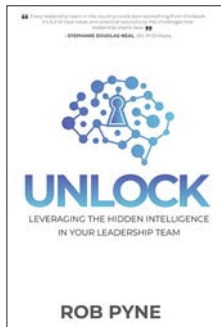
REVIEWS DEREK PARKER

GOOD READS



CLICK HERE
to explore the
CPA Library

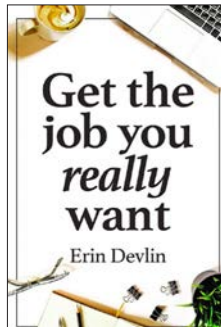
UNLOCK
Rob Pyne
Publish Central



Many books have been written on leadership, and many on teams, but very few on leadership teams. Rob Pyne, a psychologist who works in the field of C-suite level training, seeks to fill this gap, drawing on new behavioural research and his own experiences. Pyne believes that most senior teams are underutilised, missing some of the available talents and focusing on management rather than strategic thinking.

Making a team more than the sum of its parts requires three main elements: emotional intelligence, creative-analytical intelligence and practical intelligence. The weight given to each can vary, depending on whether the team is new or established, but all three are needed to some degree. Pyne unpacks each of them, providing assessment tools and diagrams. He advises regular “pit stops” to review the performance of the team, noting that the role of the CEO is to ensure that the process stays on track. The team must remain focused on the goals, and there should be some space away from the daily issues to think deeply about problems, with the opportunity to learn from mistakes and achievements. None of this is easy, but an effective leadership team means the difference between a good company and a great one.

**GET THE
JOB YOU
REALLY WANT**
Erin Devlin
Major Street



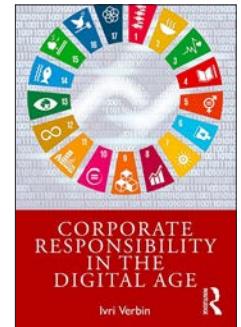
Erin Devlin is a recruitment specialist with a string of qualifications and awards, so she is well placed to give guidance on finding and getting the right job. This book covers a great deal of ground, offering advice for graduates seeking their first job through to experienced managers looking to move up or on. Devlin notes that career changes are quite common – she began as a ballet dancer – so a key asset is being able to demonstrate transferable skills as well as a willingness to learn.

The essential first step is to understand what sort of job you want, and Devlin provides self-diagnostic tests to establish values and goals. She has tips for writing CVs and cover letters, and offers a variety of templates to follow. She also examines interview skills, including the particular challenges around virtual interviews, and addresses the necessity of building a professional online profile. Her emphasis is on practical advice, and she includes some interesting anecdotes to illustrate her points.

All this advice adds up to a useful, well-organised package. There is also an appendix of relevant websites, sources and references for further reading.



**CORPORATE
RESPONSIBILITY IN
THE DIGITAL AGE**
Ivri Verbin
Taylor & Francis



Everyone agrees that responsible, ethical and sustainable behaviour from corporates is highly desirable, but for many company leaders, getting there is a much harder proposition. Ivri Verbin, CEO of consulting firm Good Vision, part of the Grant Thornton group, provides a useful roadmap.

Verbin writes from extensive experience and links his points to the UN Sustainable Development Goals framework, as well as accounting and environmental standards. He believes that corporate responsibility is essential in the era of digital-driven transparency and stakeholder activism, and will only grow in importance in the post-pandemic world.

Advice in the book ranges from creating policies on resource use to reducing carbon emissions. Engaging employees is crucial, not just with relevant, ongoing training, but with good examples from the top. Collaboration with external stakeholders is also valuable, especially when addressing larger social causes such as alleviating poverty.

Verbin has worked at senior political levels – he counts former Israeli prime minister Shimon Peres as a mentor – and he is keenly aware of the need to balance values with pragmatism. He includes case studies drawn from Good Vision’s client list to indicate how much is possible, so long as company leaders are willing to move outside their comfort zone and embrace positive change.



TED TALK

BUILDING TRUST

Marcos Aguiar is a Brazilian business consultant, and in this insightful TED Talk he lays out a model to guide companies in establishing a reputation of trust with their customers, particularly when casual or contract workers are involved. The key points are standards of behaviour required for employees, a clear contractual relationship, incentives to encourage cooperation, a measure of control over employees who interact with customers and transparency, including a system for customer reviews, a process to mitigate errors and, if there is a problem, to address it quickly. These are important points, presented in a voice of authority.

[WATCH THE TED TALK HERE](#)

PODCAST

BOARD PERFORMANCE

Dr Dambisa Moyo is an economist who sits on the boards of several large corporations. As the author of a new book, *How boards work: And how they can work better in a chaotic world*, Moyo is interviewed by Astrid Sandoval, executive editor with consulting giant McKinsey & Company, for the *Author Talks* series. Moyo believes that many boards can markedly improve their performance, especially in oversight, by recruiting from outside the C-suite. She also argues that a board has to be willing to use all the available levers to drive change and to align the company's strategy with societal values.

[LISTEN TO THE PODCAST HERE](#)

STUDY

ANTICIPATE GROWTH

The CEO Imperative, a study by accounting firm EY, has found that business leaders in Australia and New Zealand are looking forward to a period of solid growth, building on two quarters of good figures. In fact, revenue growth for many Australian and New Zealand firms is higher than the average tracked by EY's global report. However, the future will not be a return to "business as usual". Digital transformation is the key trend affecting business, although companies are increasingly focusing on purpose, culture and people management, as well as on closing the gaps between good intentions and effective execution.

[DOWNLOAD THE REPORT HERE](#)

SALARY GUIDE

TEAMWORK KEY

Survey data in the *Salary Guide FY21/22* released by recruitment firm Hays shows that teamwork is the skill that employers value most in their staff, with 96 per cent rating it to be as important or more important than a candidate's technical abilities.

Significantly, many employees have also expressed a desire to work more collaboratively with others, including colleagues working remotely.

Candidates for jobs should be able to point to instances where they were part of effective teams, explaining their specific contribution, how their time was used, the communication tools they used and how the goals were reached.

[READ THE GUIDE HERE](#)

REPORT

WHY WINNERS WIN

Boston Consulting Group's *The Value Creator Rankings* contains analysis based mainly on shareholder returns. Despite COVID-19, capital market performance has remained strong, helping sector leaders move even further away from the pack. The strong performers had invested in digitisation and other technology based enhancements before the pandemic, and they reaped the rewards in 2020 and 2021.

The sectors that performed best were technology, medical technology, financial infrastructure, sustainable energy and mining. The report also shows that investors are seeking companies that look to the long term in strategy and resource allocation.

[READ THE REPORT HERE](#)

STORY SHOLTO MACPHERSON

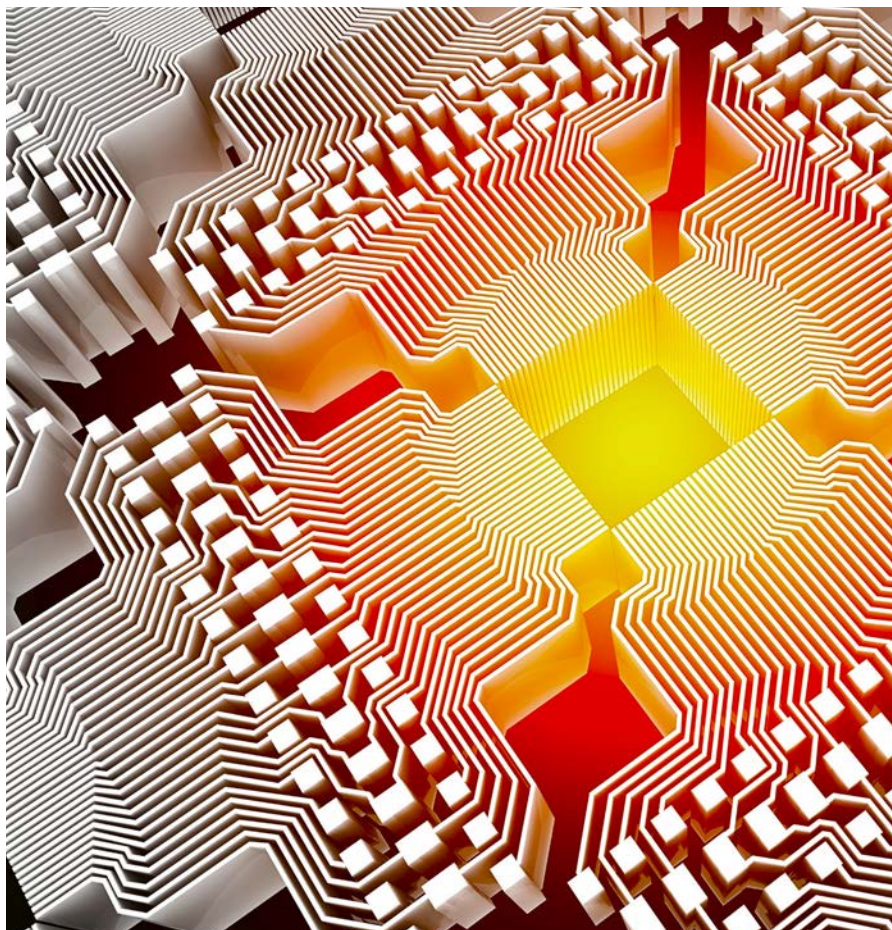
AT A
GLANCE

■ Quantum computing is in its infancy, but its sheer potential means the finance and accounting world must start preparing now.

■ The technology will affect applications where optimisation plays a role, such as stock forecasting and supply chain management.

QUANTUM REALM

THE QUANTUM WORLD MAY SEEM TO BE LIGHT YEARS AWAY FROM BUSINESS AS USUAL, BUT IT HAS BECOME CLEAR THAT QUANTUM COMPUTING, EVEN IN ITS INFANCY, HOLDS GREAT POTENTIAL FOR FINANCE AND ACCOUNTING.



The work currently under way in the race to quantum supremacy offers three key learning points.

The first, and most important, is confirmation that quantum computers will be able to deliver processing power on an unimaginable scale.

Second, the winner in the race to build a viable quantum computer will secure a tremendous advantage over competitors.

Third, since the technology is in its infancy, it is nearly impossible to agree on which contender has made the most headway.

The reality is that quantum computing is still a long way from entering the mainstream, says James Mabbott, partner in charge at KPMG Futures, an innovation lab for the firm and its clients.

“Quantum computing is still in that experimental learning phase at the moment. The biggest challenge is making it seem real,” Mabbott says. “The reason that it matters is that, for some of these impacts, you need to prepare now.”

Despite hardware shortfalls, venture capitalists and governments are already developing applications for quantum computing. Once someone gets the hardware right, the first companies to release useful software will have an outsized impact on any industry.

Finance and accounting applications that could benefit most from a quantum upgrade include forecasting, transaction processing and trading. Researchers are already thinking about how quantum computing will transform these tasks.

THE BASICS OF QUANTUM COMPUTING

Computers process information in “bits”, basic units of information and a portmanteau of “binary digit”. In classical computing, a bit is either 1 or 0.

Quantum systems upend this binary state by adding two more dimensions. A quantum bit (or qubit) can also be 1 and 0 simultaneously, or a mixture of 1 and 0. This state is called superposition and is the key to the immense quantum computational power.

Through superposition, two qubits can be in the same amount of states as four classical bits, four qubits the same as 16 bits, 16 qubits the same as 65,536 bits, and so on. A system of 300 qubits, it is said, can reflect more states than there are atoms in the universe. A computer based on bits could never

■
Risk analysis and fraud detection are also areas in which quantum computing is likely to have an effect.

process this amount of information, which is why quantum computing represents a true “quantum leap” in terms of capability.

The biggest challenge for researchers is working out how to record qubits when they are in superposition. Qubits are produced with subatomic particles that change their value when you try to measure them and change back to a 1 or 0.

Fortunately, these quantum bits interact with each other through a process called entanglement. A quantum computer uses entanglement to measure the correlations between qubits to perform a calculation.

Quantum computers will become viable for business use once they can reliably and effectively manage superposition and entanglement.

IMPACT ON FINANCE AND ACCOUNTING

Quantum computing is particularly interesting in finance and accounting applications where optimisation plays a role, Mabbott says.

This includes stock forecasting, asset and bond returns, and variance and covariance, as well as aspects of supply chain management, such as optimising moving goods between warehouses.

A key application is Monte Carlo simulations, which are used to predict the probability of different outcomes using random variables. These simulations explain the impact of risk and uncertainty in prediction and forecasting models.

Another area ripe for quantum computing is risk analysis and fraud detection. “Audits are moving away from random sampling to almost being able to look at data in real time. We could do real-time fraud detection and analysis through these applications,” Mabbott says.

Quantum computing should also boost the importance of strategy and planning within finance teams.

“You could run capital scenarios – customer and business performance, acquisitions – there are all sorts of things you could play with. That might lead to a change in the type of people that you recruit into the function as well,” Mabbott says.

Quantum’s biggest threat to finance and accounting is most likely its ability to break encryption, says Peter Turner, CEO of the Sydney Quantum Academy, a joint venture between four major universities and the New South Wales Government.

“IF SOMEONE BUILT THE ‘HOLY GRAIL’ – A FAULT-TOLERANT, SCALABLE QUANTUM COMPUTER – THEY COULD BREAK RSA STRAIGHT AWAY.”

PETER TURNER, SYDNEY
QUANTUM ACADEMY

“If someone built the ‘Holy Grail’ – a fault-tolerant, scalable quantum computer – they could break RSA straight away,” Turner says, referring to the cryptographic algorithm used to defend international banking and finance systems.

In 1994, mathematician Peter Shor invented an algorithm that can crack the very large prime numbers used in RSA encryption. In 2002, IBM used a seven-qubit computer to demonstrate that Shor’s algorithm could factor numbers as predicted.

“Everyone knows how Shor’s algorithm works and how to implement it if you had the machine to do it,” Turner says. The Sydney Quantum Academy is planning to host a public conversation on the ethics of quantum technology to address these issues.

“If one nation state or organisation built this in a basement and didn’t tell everyone, it would not be good for anyone,” Turner says. “We support the development of a shared understanding of responsible use of quantum technologies.”

HOW TO PREPARE FOR A QUANTUM FUTURE

KPMG sees three practical quantum engagement strategies for finance and accounting firms.

“If you’re interested in high-risk investment in new technology, it’s imperative to engage,” Mabbott says.

“There is a bunch of people doing things in hardware, applications and middleware. A number of those could go on to be the next Intel or Google.”

The second strategy is to partner with researchers solving complex problems in your field. University-based quantum physicists often have limited experience of business and need case studies to support practical applications for their work.

The third strategy is to stay up to date with developments in data security – for example the work currently under way in creating a quantum-proof encryption standard, as well as new forms of encryption based on quantum cryptography.

When will we see the first practical quantum computer? The distance to that horizon, says Turner, depends on how many resources are committed to achieving it.

With the world’s economic powerhouses, China and the US, both tipping billions of dollars into “the world’s most important technology race”, perhaps the age of quantum computing will arrive sooner rather than later. ■



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01

DANIELLE WOOD
CEO, THE GRATTAN INSTITUTE

HOW TO CRISIS-PROOF OUR ECONOMY

MANY SCIENTISTS WARN THAT COVID-19 WILL NOT BE THE LAST OR THE WORST PANDEMIC OF OUR LIFETIME. IS THERE A WAY TO PANDEMIC-PROOF OUR ECONOMIES?



The health of the economy hinges on the health of the population. The international evidence in the past 18 months tells a consistent story – countries that did a better job of containing the virus have had better economic outcomes. This illustrates the benefit of strong containment measures in the early stages of an outbreak, even if those containment measures have an acute short-term cost.

The lockdown has been the most prominent containment measure during COVID-19, but Australia's geography affords it earlier lines of defence. The absence of land borders makes strict border controls feasible, but the efficacy of this strategy requires airtight quarantine arrangements and efficient contact tracing. Australia should continue to invest in both.

COVID-19 has also highlighted the need for greater sovereign capabilities in areas such as vaccine manufacture, and there should be consideration given to the manufacturing capability or stockpiling of vital health equipment and personal protective equipment.

As Australia's COVID-19 recovery progresses, the government should continue to invest in jobs and growth, with a medium-term fiscal strategy of stabilising and reducing debt as a share of the economy over time. Finally, policymakers should learn from their real-time experiments in designing emergency economic supports. The Australian JobKeeper payment proved a very effective scheme, but the federal government should review the lessons from the wage supplement. One criticism of the scheme is that it ended up supporting a lot of businesses that fared well, and any future schemes could incorporate payback mechanisms should business revenues be higher than expected.

As Australia's COVID-19 recovery progresses, the government should continue to invest in jobs and growth, with a medium-term fiscal strategy of stabilising and reducing debt as a share of the economy over time.



02

DAN NAHUM
ECONOMIST, THE AUSTRALIA INSTITUTE

To strengthen the social and economic bonds that insure us against crisis, governments worldwide are turning to expanded public services, income supports and investments in physical and social infrastructure to reinvigorate their economies.

Countries that successfully handled the health crisis of COVID-19 achieved the quickest, and best, economic recoveries. This result contrasts with voices that urged us to “let the virus rip”, as if the economy could somehow be separated from the wellbeing of the people it depends on.

Some workers felt financially compelled to work even when they should have been isolating. We must extend paid sick leave and limit casual employment to those jobs that are genuinely casual. Unfortunately, Australia has a long way to go here. Casual jobs accounted for more than 60 per cent of all waged jobs created during the second half of 2020. The Australian Government’s recent industrial relations legislation will accelerate that casualisation, allowing employers to classify any workers, even those with regular hours, as casuals. The key lessons from this crisis are that looking after people means looking after the economy, and we can afford to look after people.

Governments also need to put our economy on a firmer, more diversified footing. Our hollowed-out manufacturing sector needs policy attention and tangible co-investment, as a source of both economic resilience and good-quality, climate-aligned jobs. We need to accelerate investment in public services to keep us healthy, safe and employed when the next crisis hits.

We must extend paid leave and limit casual employment to those jobs that are genuinely casual...The key lessons from this crisis are that looking after people means looking after the economy, and we can afford to look after people.



03

ANNETTE BEACHER
ECONOMIST AND ANCHOR, AUSBIZ

No one wants to think about the next pandemic before we have fully recovered from COVID-19. However, there are lessons that could help us navigate and emerge from the next health crisis in even better shape.

First and foremost, workplaces need to continue with flexible work arrangements, so that lockdowns provide minimal disruption to business. COVID-19 has fast-tracked a shift to digital platforms and home-based deliverables that weren’t thought possible only two to three years ago.

Another step is to re-establish a full-time health professional in each aged care facility. Underpaid part-time healthcare workers were “super spreaders” early on in the pandemic, with tragic results.

Design, build and furnish remote quarantine facilities – now! These facilities may be needed over the next one to two years, as a minimum, as we build up global herd immunity. Thereafter, these villages could be repurposed as refugee accommodation, for individuals and families to live more humanely as they await processing by the authorities. In the meantime, encourage more broad-based local manufacturing – not only to build up a domestic source of vaccines, but also to safeguard a plethora of consumer goods in high demand during lockdowns.

Let’s not forget some personal responsibility, such as building up skills and savings so that job disruption doesn’t bankrupt families. It may not be prudent to assume the same outsized level of support from the government and the Reserve Bank of Australia next time. While programs such as JobKeeper were lifesavers for economic activity, the bill is yet to be produced.

First and foremost, workplaces need to continue with flexible work arrangements, so that lockdowns provide minimal disruption to business.

MEET THE EXPERTS

DANIELLE WOOD

Danielle Wood is CEO of the Grattan Institute. She has published extensively on economic reform priorities, budget policy, tax reform, generational inequality and reforming political institutions. She is the national president of the Economic Society of Australia and co-founder and former chair of the Women in Economics Network.

DAN NAHUM

Dan Nahum is an economist with the Australia Institute’s Centre for Future Work. His research interests include industrial transformation, labour markets in low-carbon economies, government finances, and inequity and inequality. He holds a master’s degree in political economy from the University of Sydney and an honours degree in psychology from Macquarie University.

ANNETTE BEACHER

Annette Beacher is an economist with business news provider ausbiz. She began her career in government with policy adviser roles for the Commonwealth Treasury and Department of Prime Minister and Cabinet. She spent 25 years in senior economist roles, including at Alliance Bernstein and Citi, as well as a decade in Singapore as the head of Asia Pacific research for TD Securities.

#BUBBLE OR BUST

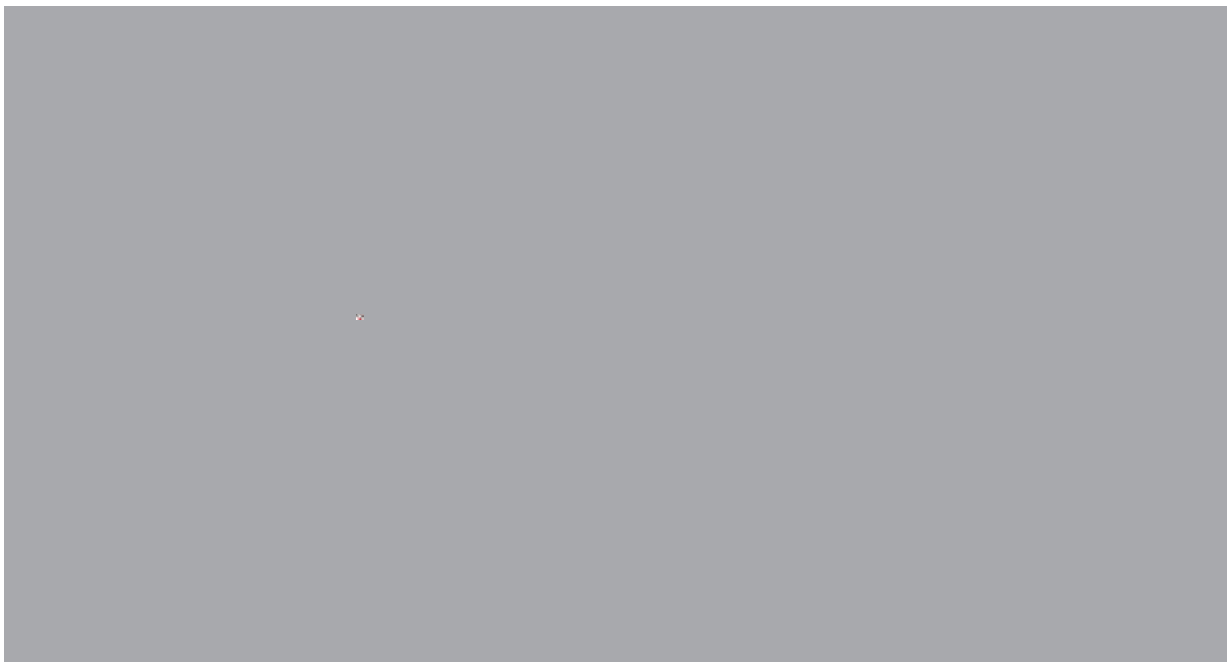
STORY SUSAN MULDOWNEY

INVESTMENT BUBBLES ARE BY NO MEANS A RECENT PHENOMENON, BUT THE INFLUENCE OF SOCIAL MEDIA ON THE HERD INSTINCT CAN HAVE A CRIPPLING EFFECT WHEN THE BUBBLES BURST.





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In January this year, billionaire entrepreneur Elon Musk triggered an investment frenzy with a simple two-word tweet: “Use Signal”. His note was innocent enough – Musk was telling his 42 million followers to download an encrypted messaging app called Signal – but the tweet was mistaken as endorsement of a small medical device firm, Signal Advance. Musk’s followers dutifully bought stock in the company, driving its share price up by an astounding 11,708 per cent in just three days.

The Signal tale is just one instance of the power of social media in uniting people from all walks of life, income levels and geographical locations to enact change on a dramatic scale.

This year’s GameStop stock fiasco is another example. The WallStreetBets forum on the Reddit website encouraged retail investors to buy the video game company’s stock, causing its price to surge by 1500 per cent in January and squeezing out short-selling hedge funds. GameStop’s share price went from a low of US\$17 (A\$22) to a high of US\$483 (A\$624), but the bubble was quick to deflate. By the first week of February, the share price had dropped to US\$55 (A\$71).

Are these examples of market manipulation, rapidly inflating investment bubbles or perhaps a bit of both? Whatever the case, they illustrate the power of social media to rapidly shape perceptions

of value among retail investors and move markets to new speculative highs.

THE SOCIAL MEDIA EFFECT

Investment bubbles are defined as the swift escalation of an asset price followed by a rapid and often devastating fall. One of the most famous, “Tulip Mania”, occurred in the 1630s, when Dutch citizens rushed to buy rare tulip bulbs in hopes of reselling them for a profit. The bubble burst in 1637, wreaking havoc on the Dutch economy.

Centuries later, the dotcom bubble of the late 1990s and early 2000s saw speculative fever sweep the globe. The NASDAQ Composite Index rose by 582 per cent from January 1995 to March 2000 as investors rushed to buy shares in technology start-ups. By 2002, their losses were estimated at about US\$5 trillion (A\$6.5 trillion).

Today, social media and technology bring new elements to hysterical investment. Consider the latest craze, non-fungible tokens (NFTs), which represent ownership of unique items, such as art, collectibles or even social media posts. In March this year, for instance, Twitter CEO Jack Dorsey sold his first ever tweet as an NFT for more than US\$2.9 million (A\$3.9 million).

Dr Timo Henckel, research fellow at the Centre for Applied Macroeconomic Analysis in the Research School of Economics at Australian

Centre: Jack Dorsey, creator, co-founder and chair of Twitter, at the Bitcoin 2021 Convention in Miami, Florida. Dorsey sold his first tweet as an NFT for US\$2.9 million (A\$3.9 million) in March 2021.

Top right: YouTube personality Keith Gill, who drove the GameStop trading frenzy in early 2021.



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**an INTHEBLACK
article on
non-fungible
tokens**



ARE WE IN THE MIDDLE OF A BUBBLE?

SEVERAL ASSET CLASSES, INCLUDING CRYPTOCURRENCY AND EVEN REAL ESTATE, APPEAR TO BE RICHLY PRICED IN 2021, BUT ARE WE EXPERIENCING A BUBBLE?

National University, describes Bitcoin as “the mother of all bubbles”.

“Bubbles don’t just emerge out of nowhere,” he says. “There is a genuine basis for a bubble, and it usually involves an innovation – some kind of new product or new technology that sparks people’s imagination. A story is created around it, and people project forward to it being life changing or having a major impact. Today, that story is told and retold via social media.”

Dr Brent Coker, who teaches cryptocurrency marketing at the Melbourne Business School, says much of the cryptocurrency community exists on Twitter.

“Cryptocurrency traders will typically have things like TweetDeck set up to help them organise their topics,” he says. “A lot of price movements in cryptocurrency are based on word of mouth, much more so than traditional stocks.

“There’s an old saying that you never trade the news when it comes to traditional stocks, but my sense is, with cryptocurrency it’s exactly the opposite.

“Everyone’s just looking for news because it is so volatile and so random. Also, the folks that are trading crypto are not really old-school Forex traders or stock exchange traders. They are mostly young, and the first thing they may have traded is crypto, so it’s all about the news.”

Datuk Muhamad Umar Swift CPA, CEO of the Malaysian stock exchange, says that, while there is higher participation among retail investors, the current market lacks the “frenzied inflows” of previous bubbles.

“Since last year, we’ve observed a shift in demography towards higher participation by retail investors. While low interest rates have been a factor in this shift, other factors have played a part and set the stage we are in today.

“One, which started more than 10 years ago, is the liberalisation of the brokerage fees, which generally made trading cheaper and more attractive.”

Swift adds that continuous growth, propelled by improvements in the online trading experience offered by broking houses, is also contributing to the growth in retail investors.

“The pandemic-fuelled market volatility brought new investors into the world of stocks,” he says. “Working from home, loan moratoria and higher personal savings levels, as well as social media platforms, have helped accelerate the boom in retail trading.”

Chris Brycki, founder and CEO of digital investment advisory Stockpot, is not convinced of an investment bubble in the Australian market.

“Asset prices are relatively high compared to history, but I haven’t gotten into an Uber recently where the driver has given me a stock tip,” he says. “I think that relatively high asset prices are more of a function of bond rates. The reaction of governments and central banks to COVID-19 was to bring interest rates to zero and then print lots of money, and that’s really what’s inflated asset prices, but they are all relative to each other.”



THE CHANGING CONCEPT OF VALUE

Growth in asset classes such as NFTs suggests that investors' perceptions of value are changing. The immediacy of social media also means the mass market of retail investors can be informed and influenced in real time.

Simon Russell, director of Behavioural Finance Australia, says this can play a significant role in individual stock levels.

"It's quite easy to join the dots between a stock going up a little bit and people thinking, well, there must be something to this, and if everyone else is buying it, it must be a good idea," he says, observing the sort of "herd movements" triggered by individuals or small groups that can encourage "pump-and-dump" schemes.

Russell adds that taking investment tips from the internet presents a risk of confirmation bias.

"We all live in our own personal filter bubbles," he says. "The way that our Google searches work, for example, predisposes us to finding stuff that confirms our existing beliefs, rather than things that are going to challenge those beliefs."

"It's going to build confidence, and obviously the risk there is that you don't get the contrarian or the alternative views."

Chris Brycki, founder and CEO of digital investment advisory Stockpot, says the internet has removed geographical barriers, allowing investment bubbles to flourish.

"Even in the late 1990s, the internet allowed a lot of people to congregate together with a similar

“THE WAY THAT OUR GOOGLE SEARCHES WORK...PREDISPOSES US TO FINDING STUFF THAT CONFIRMS OUR EXISTING BELIEFS, RATHER THAN THINGS THAT ARE GOING TO CHALLENGE THOSE BELIEFS. IT'S GOING TO BUILD CONFIDENCE, AND OBVIOUSLY THE RISK THERE IS THAT YOU DON'T GET THE CONTRARIAN OR THE ALTERNATIVE VIEWS.”

SIMON RUSSELL,
BEHAVIOURAL FINANCE
AUSTRALIA

interest or focus on a particular asset class," he says. "They'd all get excited together, and all get fearful together about assets. The same sort of trends that we're seeing now on Reddit, I remember being pretty identical back in 1999 on other internet forums."

"Obviously, the internet is now more synonymous around the world, so more people are on it, and therefore there's probably more money that can get jammed into different assets like GameStop."

"Perhaps that's why the dollar value of moves can be bigger. We're currently seeing a few pockets of asset classes going up by an astronomical amount, and that gets people interested in markets."

CASCADING BUBBLES

Investment "bubbles" are so called for a reason – they inevitably burst, often leaving a mess in their wake. Henckel describes a bubble's "cascading effect".

"You get the early adopters, who are the big risk takers because they are savvy enough to think that people will latch on to this kind of technological innovation, and they clearly are trying to make a profit," he says.

"Then, it just trickles through the economy. Sometimes you get a couple of big adopters, like Elon Musk, for instance, who convince the crowds that it's a good thing, so they start piling in as well. Think about the dotcom bubble. That's basically how it went as well."

Henckel adds that the "ma and pa" investors tend to join in at the peak of a bubble.



“They’re the ones who usually get burned when the bubble bursts,” he says.

“I’m not really concerned about Bitcoin right now. Even if it crashes, it’s currently too small a market to have any major ripples in the economy. But you can imagine that if there was an economy-wide frenzy to pile into cryptocurrencies and it was debt-fuelled, it would become a concern.”

EDUCATION VERSUS INTERVENTION

Datuk Muhamad Umar Swift CPA, CEO of Malaysian stock exchange Bursa Malaysia Berhad, says the increasing use of social media, online forums and messaging applications has led to the proliferation of “self-proclaimed investment advisers”.

“While these conversations have helped maintain market interest and boosted market vibrancy, we are concerned that investors can be misguided by individuals taking advantage of chat rooms to promote their own agenda,” he says.

“Trading manipulation or ‘pump-and-dump’ schemes, involving the action of promoting a stock to a certain price level or deceiving investors by controlling or artificially affecting the price of a security, is not acceptable and in breach of the rules.”

Henckel describes the recent GameStop price hike as market manipulation, rather than a bubble in the traditional sense.

“Strictly speaking, market manipulation is already illegal,” he says. “The rhetoric around financial markets relies very heavily on it

being a level playing field, and when it’s not, it compromises the credibility of financial markets and their efficiency and fairness.

“The thing with bubbles is, should regulators intervene and, in particular, take into account social media?” Henckel asks. “I think it would be really dangerous to give regulators some kind of leeway in adjusting policy based on what they see happening in social media. I just can’t see how that works in a free-market economy.”

According to Swift, Bursa Malaysia is already working to raise financial literacy levels among Malaysian consumers, while driving retail participation in the marketplace. “Investor education is an important agenda for sustaining retail activity and improving the quality of activity through enhanced investor protection,” he says.

“Many industry analysts and academic papers have concluded that stock market participation rates would increase considerably if investors were well informed and aware of their risk appetites.”

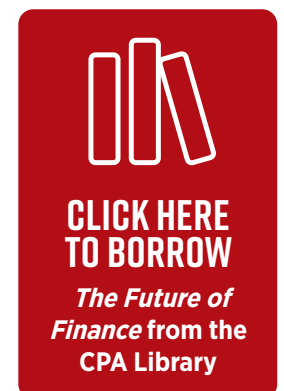
The challenge is to ensure that retail investors are educated via credible sources, rather than the noise of social media. Even so, Henckel suggests that social media does not create bubbles, but rather speeds up their growth.

“I don’t know if social media necessarily amplifies bubbles, or increases the amplitudes of price movements more generally,” says Henckel. “It just makes the information travel faster. The current cycles of Bitcoin, for example, are remarkable. I don’t think that Tulip Mania in 17th century Amsterdam was quite that quick.” ■

Top left: The news of the Dow Jones Industrial Average falling by 300 points on 5 August 1988 made headlines around the world.

Centre: A GameStop store in San Francisco, California.

Above: SpaceX owner and Tesla CEO Elon Musk arrives on the red carpet for the Axel Springer Award 2020. The award honours personalities who are innovative and who change markets and shape culture.





AT A GLANCE

■ Melissa Azzopardi CPA is general manager finance with the Australian Football League.

■ Azzopardi's current role follows a three-year stint with Tennis Australia, where she was appointed as CFO in 2018.

■ Working with two prominent sports organisations during a pandemic has highlighted for Azzopardi the need to adapt to change quickly.

MELISSA AZZOPARDI CPA REVELS IN THE EXPERIENCE HER WORK GIVES HER: BEING INVOLVED IN SOMETHING CLOSE TO THE COMMUNITY WHILE MAKING THE MOST OF THE SKILLS HONED IN THE CORPORATE WORLD.

STORY **SUSAN MULDOWNEY**
PHOTOGRAPHY **JARROD BARNES**

ON THE BALL

After helping to steer Tennis Australia through its most challenging year on record, you might think Melissa Azzopardi CPA would take a break from sport. An industry largely centred around travel and large crowds, it is among the hardest struck by COVID-19 restrictions. This year's Australian Open alone recorded an estimated loss of A\$100 million.

However, instead of changing industries, Azzopardi switched codes. Within four days of leaving her role as CFO of Australia's governing body for tennis in March this year, she stepped into the newly created position of general manager finance at the country's most dominant – and arguably most beloved – sporting code, the Australian Football League (AFL).

Upon reflection, team sports may be more Azzopardi's style. She joined Tennis Australia at the start of 2018 with a mandate to transform the finance function and spearhead the department's integration into the wider business. This required building the trust of a finance team of 30, who were somewhat uneasy about the changes their new boss would introduce from her corporate background.

Azzopardi also needed to foster strong relationships with the board and the organisation's various state bodies to introduce the systems, processes and governance structures required to support its significant growth.

"I was new to sport, and the industry sometimes speaks a different language," says Azzopardi. "But I love leading teams and being part of teams. I needed to do a lot of listening and a lot of learning, but I'm very comfortable asking questions."

FROM CORPORATE TO COURTSIDE

Azzopardi grew up in Ballan, a town of about 3000 residents in western Victoria. Like most country towns, its local community thrives on sport. As a teenager, Azzopardi held the role of treasurer for the local netball team, which may have been a sign of things to come. However, she spent the first two decades of her accounting career in the corporate sector.

While completing the CPA Program in the mid 1990s, Azzopardi took up a work experience role at Australian Unity. She spent the next two and a half years with the insurer before switching to industry rival QBE, then moving on to senior finance roles at Carlton & United Breweries (CUB). She started with



➔ OPEN VIDEO IN A NEW WINDOW

Origin Energy in 2008, working her way up to the role of financial controller – corporate. A decade later, she stepped into the world of sport.

Azzopardi's recruitment to Tennis Australia was part of a broader succession plan for the organisation's finance team. David Roberts CPA was the organisation's chief operating officer when he recruited Azzopardi to the role of director of finance. Within 10 months, she was CFO.

"David had been with Tennis Australia for 21 years and did an absolutely amazing job," says Azzopardi. "I was asked to come in and take it to the next phase. I spent months working closely with David to really understand the capability that we needed as an organisation, both in terms of people and systems.

"Traditionally, in a sporting organisation, you just have your finance people there to do your payroll and accounts payable and the core accounting processes," explains Azzopardi. "Tennis Australia and the AO [Australian Open] had grown significantly, which drove the increase in volume and type of transactions, the broadcast and the interest from international sponsors. So, my role was to develop and lead the finance team so they could play a key

"AS A FINANCE PROFESSIONAL, YOU ALWAYS FALL ON THE FACTS. WHAT WE LEARNED THROUGH COVID-19 IS THAT, YES, ABSOLUTELY YOU NEED FACTS, BUT YOU'RE NOT GOING TO HAVE ALL OF THEM. YOU'VE GOT TO MAKE SOME GUT CALLS."

role in supporting the business through this growth." In 2016–2017, Tennis Australia achieved revenue of A\$320 million. Sponsorship income for the Australian Open had risen from A\$35 million to A\$86 million in three years, while broadcast income had lifted from A\$54 million to A\$118 million in the same time.

Revenue in 2019–2020, including the 2020 Australian Open, which was not affected by the global pandemic, surged to more than A\$450 million, and the event injected A\$387.7 million into the Victorian economy – up by more than 12 per cent from the previous year.

"Tennis is a worldwide sport, so I had a lot to learn about international finance markets," Azzopardi says.

"Looking at exchange rates every day wasn't something I was used to, and this was my first role where I was involved in hedging. I needed to work closely with the banks to build my knowledge and skills."

COVID-19 HITS THE GRAND SLAM

When Australia's borders closed in March last year to contain the threat of COVID-19, Tennis Australia faced months of uncertainty. Azzopardi says she was forced to "trust her gut".



“OUR BUSINESS IS JUST OUR PEOPLE, SO WE DID EVERYTHING WE COULD TO MAKE SURE WE COULD KEEP OUR WORKFORCE. THEY’RE THE ONES THAT BUILD THE EVENT AND DELIVER OUR SPORT TO THE COMMUNITY.”

“As a finance professional, you always fall back on the facts,” she says. “What we learned through COVID-19 is that, yes, absolutely you need facts, but you’re not going to have all of them. You’ve got to make some gut calls.”

“Obviously, you’re managing the risk, but you’ve got to make some decisions off the cuff, and you’ve got to put forward ideas that aren’t always based in the finance department. You may have a good idea about what could happen in the tennis side of things, or in the entertainment or hospitality side of things.”

Azzopardi says Tennis Australia’s first priority was its people. Customer-facing tennis facilities around the country were closed, as was the organisation’s head office, located at Melbourne Park, and staff were required to work remotely.

“Our business is just our people, so we did everything we could to make sure we could keep our workforce. They’re the ones that build the event and deliver our sport to the community.”

DRAWING ON RESERVES

Tennis Australia received more than \$A4.5 million in JobKeeper support as it sought to implement measures to combat the exceptional financial cost of

staging the 2021 Australian Open. The organisation had originally expected the tournament to cost between A\$25 million to \$30 million. As the event approached, however, the organisation expected the expenses to stretch to more than A\$60 million.

“The challenging thing in a pandemic environment is that, in addition to delivering an international Grand Slam, the Australian Open is about the fans and the customer experience, which is the brand that Tennis Australia has built,” says Azzopardi.

“We needed to balance that in the face of restrictions that were changing almost every day. We had to consider whether we could even do the Australian Open. Could we actually have patrons on site? How were we going to get the players into Australia?”

Before the pandemic struck, Tennis Australia had built up a cash reserve of A\$80 million, which Azzopardi describes as an “absolute anchor point”.

“We wouldn’t have got through it without that,” she says.

“Having reserves that strengthen your balance sheet is absolutely key. We had to carefully manage the balance sheet, while also trying to support our people and suppliers who contribute to the delivery of the Australian Open.

Above: Matches held at the Optus Stadium in Perth, Western Australia, were closed to spectators in May 2021 as part of COVID-19 safety measures.



Left: Melissa Azzopardi CPA (third from the right) with members of the Tennis Australia executive leadership team in 2019.

“With the Australian Open, we did five, six, seven different scenarios, and what played out wasn’t even one of those scenarios – it was a whole lot of them jammed into one,” adds Azzopardi.

“To be able to take all those pieces and throw them up in the air and put them back together was an absolute learning curve and, as hard as it is, you can’t get disillusioned. We really feel we got there in the end, given the constraints. Could we put on all the ‘bells and whistles’ that we were used to? No, we couldn’t. That was hard, but what we did was amazing.”

POWER OF TEAMWORK

Azzopardi’s decision to move to the AFL in March this year was inspired by the promise of a broader scope and a desire to be part of an organisation that “brings the community together every week”.

“AFL is in every Aussie home and it’s made such a difference to people’s lives, especially over the past year with COVID-19,” she says. “A lot of people couldn’t go to a game, but they still invested in it and still supported their clubs. People could still get out and have a kick-to-kick, and it just continues to bring people together.”

During the tumultuous 2020 season, the AFL recorded a loss of A\$22.8 million and drew on A\$60 million of cash reserves. Year on year, AFL revenue was down by A\$119 million to A\$675 million.

“The way the AFL survived what it went through last year and just continues to thrive is fantastic,” says Azzopardi, adding that this year’s season has presented possibly even more challenges than 2020.

“Last year, the AFL could relocate out of Victoria during its lockdown and just operate in a hub,” she says. “This year, state lockdowns have been more widespread and unpredictable.”

“My team includes procurement as well, and my procurement lead manages all the travel logistics. While game schedules are still trying to be finalised, he’s trying to arrange charter flights for teams and get them in quarantine and get them tested so they are ready to play. It’s amazing teamwork, and it’s been a great way to learn about the business.”

Azzopardi’s role at the AFL includes engaging with the CFOs of the AFL’s 18 clubs, all of which are independent entities. Her role requires her to partner with the executive leadership group, drive the financial rebuild plan for the AFL and support the industry’s major financial decisions.

In addition to the financial and audit risk aspects of her role, Azzopardi says she is enjoying learning and supporting the many facets of the AFL business, including the recently established and expanding women’s league, the AFLW, the Marvel Stadium business and witnessing the far-reaching impact of community football. She manages a team of 30, and is again charged with bringing them closer to the business.



“WHERE DO YOU WANT TO GET TO AND HOW ARE YOU GOING TO GET THERE? IF THERE’S A DIVERSION, WELL, MAYBE THAT’S NOT THE RIGHT PATH. YOU CAN’T BE WEDDED TO JUST ONE ANSWER, WHICH CAN SOMETIMES BE HARD IN FINANCE.”

Left: Spectators were prohibited at AFL games held at Perth’s Optus Stadium earlier this year.

“There’s a lot of looking up and looking out, and that’s what also attracted me,” she says.

“We are also implementing an ERP [enterprise resource planning] program, so there’s that transformation piece again.

“Of all the skills that I’ve learned along the way, this is where I get to use my gut a bit more and be able to help direct the organisation and really contribute to key decisions. I’m loving it. I think this is absolutely the right move for me.”

A SPORTING CAREER

COVID-19 has delivered many lessons. For Azzopardi, the experience has taught her to be more flexible and open to change.

“You’ve just got to roll with it, and you’ve got to adapt to it.

“You might have done a big piece of work on Friday, and then you come back on Monday and so much has changed. I saw that at Tennis Australia, and I’m seeing it at the AFL, but you need to be resilient and keep looking for the next solution.

Where do you want to get to and how are you going to get there? If there’s a diversion, well, maybe that’s the not right path. You can’t be wedded to just one answer, which can sometimes be hard in finance.”

Azzopardi says she is proud to have worked for large Australian brands throughout her career and continues to personally support the organisations she

has worked with as an avid consumer, whether it be energy, beer or insurance.

Stepping into the sports industry has brought great rewards for Azzopardi – and she says it’s an industry often overlooked by finance professionals.

“Sport is a big industry, where the money generated goes back into the development of the actual sport, and back-end processes just need to try and keep up with the growth,” she says.

“In my role I could bring a level of focus on compliance, risk management, team structure and finance systems needed to support these back-end processes. This then allows the finance teams to focus on partnering with the business.

“I think COVID-19 has really brought out the importance of traditionally back-office support services to sporting companies, whether it be finance, legal or technology.

“People with my corporate experience can go into the sporting industry and bring new ideas and change, and then lead that change to support the required governance and finance processes, much like a corporate, and right-size this process for the relevant operations of that organisation.

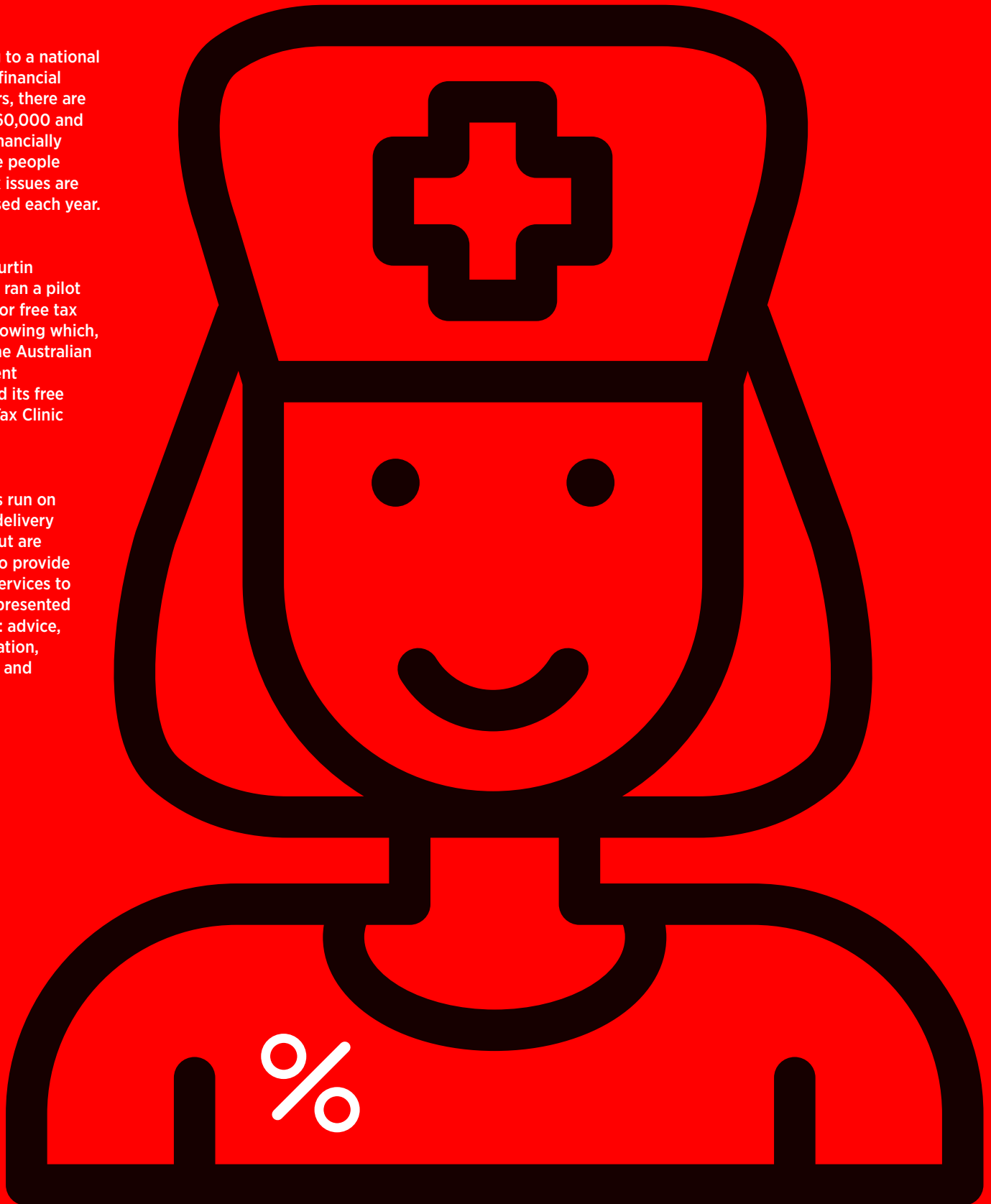
“What I love about what I do is, I get to bring my corporate skills to the business, but also be involved in something that’s such an important part of the community. It really is the best of both worlds for me. ■

AT A GLANCE

■ According to a national survey of financial counsellors, there are between 60,000 and 80,000 financially vulnerable people whose tax issues are unaddressed each year.

■ In 2018, Curtin University ran a pilot program for free tax clinics following which, in 2019, the Australian Government announced its free National Tax Clinic program.

■ The clinics run on different delivery models, but are required to provide four key services to the “unrepresented taxpayer”: advice, representation, education and advocacy.



THE AUSTRALIAN GOVERNMENT'S NATIONAL TAX CLINIC PROGRAM IS MEETING AN URGENT NEED IN THE COMMUNITY BY PROVIDING ASSISTANCE TO THOSE WHO ARE UNABLE TO ENGAGE THE HELP OF A TAX AGENT OR PUBLIC PRACTITIONER.

INVALUABLE ASSISTANCE

When the Australian Government announced its free National Tax Clinic program in 2019, the response from the finance and accountancy profession was mixed. Some public practitioners saw the program as a new competitor in the market, with the potential to affect their business.

Others felt it foolish to offer free tax advice, because this would deter people from wanting to pay for services in the future.

However, what many underestimated was the scale of community disengagement with the Australian Taxation Office (ATO) and taxation specialists.

These were not people trying to avoid paying tax. They had the desire for compliance; what was missing was their capacity to achieve it.

Annette Morgan FCPA is a tax agent and lecturer at Western Australia's Curtin University. Together with her colleague Donovan Castelyn, after extensive political lobbying, she established the National Tax Clinic's pilot program through the university in 2018.

"What we found out through our pilot was that we were dealing with lots of clients who had let their taxes get so out of control they weren't in a financial position to engage a professional to help them," says Morgan.

In the early days of the Curtin Tax Clinic, its work – and the need for it in the community – was not fully understood.

It soon became apparent, however, that the project was meeting a huge need in the community and helping people who were not in the position to engage the help of a tax agent or public practitioner.

Some of the tax clinic clients were experiencing marriage breakdowns, domestic violence and homelessness. Others had a disability, or were isolated by geographical, cultural or language barriers.

There was also a striking number of clients who had not lodged a tax return for many years – sometimes decades – or had an outstanding BAS and urgently needed help to get their tax affairs up to date.

"For one, these people are in such a hole they can't afford to pay, which adds to their burden and makes them think, 'I can't do this, I'm going to leave it,'" Morgan says.

"But there are other issues that – in my 30-odd years working in my own small family tax clinic and in firms – I'd never seen before.

"I'd never had clients who were getting prosecuted or couldn't pay their tax due to hardship – it wasn't the type of work we did, because our clients weren't in that space."



CLICK HERE TO READ
a CPA Australia policy submission on National Tax Clinics

Right: Tax clinics run by Charles Darwin University in session at a shopping centre in 2019.

“WHAT WE’RE SEEING WITH THE CLIENTS WE HELP IS THAT IT IS OFTEN PROBLEMS BEYOND AN INDIVIDUAL’S CONTROL THAT HAVE LED TO THEIR CIRCUMSTANCES...AND THINGS THAT ARE NO FAULT OF THE INDIVIDUAL.”

DR ANN KAYIS-KUMAR, UNIVERSITY OF NEW SOUTH WALES

SUPPORT FOR UNMET NEEDS

Following a review of the well-established Low Income Taxpayer Clinics in the US, and with the Curtin Tax Clinic pilot program deemed a success, in late 2018 the Australian Government committed to a year-long trial of the National Tax Clinic program.

Ten major universities across Australia were given a budget of A\$100,000 each to establish and operate the clinics, with accounting and law students studying taxation offering pro bono advice and assistance under the close supervision of qualified tax professionals.

The universities were offered the freedom to develop their own delivery models, on the condition they provided the “unrepresented taxpayer” four key services – advice, representation, education and advocacy.

One of the first national clinic launches was at the University of New South Wales (UNSW), under the leadership of Dr Ann Kayis-Kumar, associate professor with the School of Accounting, Auditing and Taxation, and co-founders Michael Walpole, taxation law professor, and Gordon Mackenzie, adjunct senior lecturer at the Australian School of Business.

For its client base, the UNSW Tax Clinic relies almost exclusively on “warm referrals” – those coming from financial counsellors, community legal centres, charities and other social services.

Kayis-Kumar says that, while tax may be what brings clients through the door, the clinic model feeds back into the social services sector to support other unmet needs. For example, some are struggling to afford food or transport.

A national survey of financial counsellors conducted by the UNSW Tax Clinic has found that, regardless of

a client’s geographical location, 30 per cent to 40 per cent of those seeking help from a financial counsellor also have an unmet tax need. This means there are between 60,000 and 80,000 financially vulnerable people whose tax issues are unaddressed each year.

PSYCHOLOGICAL BURDEN, EASED

Screening and secondary research conducted by the UNSW Tax Clinic has identified that their clients are three times more affected by mental health problems than the general population. They also have a high proportion of women experiencing domestic violence and have an over-representation of Indigenous clients and culturally and linguistically diverse clients.

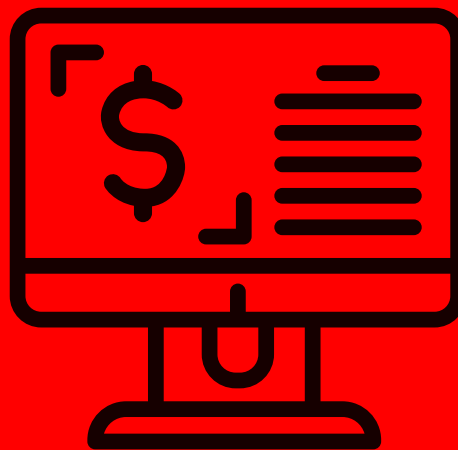
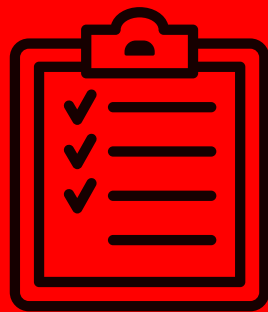


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and Finance

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UNIVERSITY

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DISCOUNT



One of the most powerful benefits of the National Tax Clinic program, Kayis-Kumar says, is that it frees people of the psychological burden.

“What we’re seeing with the clients we help is that it is often problems beyond an individual’s control that have led to their circumstances – whether it’s health problems, mental or physical, relationship breakdowns, external shocks like we’re seeing with the pandemic, and things that are no fault of the individual.”

She says the professional expertise offered by the clinic is invaluable, particularly in light of the tax system’s complexity.

“It’s one thing to tell a person to just look it up online, but if that person has low levels of literacy, let alone tax literacy or financial literacy, or access issues because they don’t have a digital device, it is really challenging.”

GIVING BACK TO THE COMMUNITY

Charles Darwin University (CDU) in the Northern Territory became involved in the National Tax Clinic program because it acknowledged the complexity of the tax system and recognised the need to support all taxpayers in achieving a fair outcome with their tax matters, says Professor David Low CPA, provost of the Asia-Pacific College of Business and Law.

CDU’s bid to establish its clinic was based on the fact that it would service a population that is strongly multicultural, predominantly in low socio-economic circumstances, and living in remote and regional communities with limited access to professional representation.

“We saw this as something we could do to give back to the community,” says Low.

The CDU Tax Clinic was set up and run by Professor Indra Abeysekera CPA, who had to overcome a unique set of challenges, including designing an operational model and engagement methods to suit the clinic’s target clients.

For example, instead of “National Tax Clinic”, it was named “Free Tax Clinic” to arouse curiosity in the local community. Before the pandemic, the clinic operated

seven days a week, from June to October, providing advice out of the university’s most centrally located Waterfront Campus in Darwin during the week, and on weekends setting up at shopping centres as far as Alice Springs and Katherine.

When COVID-19 hit, the clinic pivoted its operations, particularly when servicing clients from remote communities who were among those at highest risk of contracting the virus. CDU also engaged a local tax firm to provide two paid clinic supervisors to help run the clinic.

“The firm got a lot of job satisfaction out of serving the clients and mentoring our students,” says Low. “They even had a couple of new clients come to them because they saw, through the little bit of publicity, that they were doing their corporate social responsibility.”

REAL-WORLD EXPERIENCE

The UNSW Tax Clinic was the first to establish a teaching hub for future tax practitioners, by incorporating a tax clinic specialist elective course into their subject offerings.

The clinic employs two professional accountants, Paul Viola CPA and Helen Lam CPA, to supervise and mentor the accounting and law students who provide the clinic’s services. Ultimately though, it is Viola or Lam who prepare the tax returns for clients under their tax agent licences.

Lam believes the tax clinic is helping to create more empathetic and skilled graduates, and hopes they take away with them a willingness to do more pro bono work in the future. It also provides students with an opportunity to get valuable client interview skills and file management experience with real-world cases prior to graduation.

“In your typical accounting practice, you will deal with some clients who are a bit more difficult than others, but this experience helps you to consider if maybe they have other things going on in their lives that they are not telling you about – perhaps they have mental health issues or financial difficulties,” says Lam.

FREE
TAX CLINIC



Below: Paul Viola CPA and Helen Lam CPA from the UNSW Tax Clinic.



AUTHENTIC EXPERIENCE

At the University of Melbourne, Professor Sunita Jogarajan, at the Melbourne Law School, is also seeing the clinic's benefits flow to tax law students in the form of authentic experience with case file management, interviewing and leadership skills.

"Even though when we teach we use real-world scenarios, there is nothing like dealing with a client in front of you, because it is not just facts on a piece of paper," says Jogarajan.

"For some of our students, the work was quite confronting due to the people they met and the circumstances they were in, but at the end of it they say they grew so much, and it was a wonderful learning experience."

The Melbourne Law School Tax Clinic accepts clients below the A\$60,000 annual income threshold – the same threshold adopted by the [ATO's Tax Help program](#). Unlike Tax Help, however, the clinic goes far beyond a tax lodgement service. It is able to provide advice and has an educational element in empowering people with the confidence and skills to complete their own tax returns in the future.

While the clinic also receives referrals from financial counsellors and community legal services, a large proportion of its clients are students and new migrants who are trying to navigate the ATO's self-lodgement myTax Portal for the first time.

"It's not necessarily about revenue collection, but you're reducing the intervention the ATO has to do," says Jogarajan. "It's about helping people to do the right thing by educating them what the right thing is."

POTENTIAL FOR REFORM

Since the completion of the 2019 National Tax Clinic pilot, the program has continued on a year-by-year sponsorship basis. However, moves are under way to switch to an open competitive grant system, which will enable individual universities to pitch for a greater

share of the budget pie and potentially enable non-academic organisations to incorporate a clinic into their service offering.

Morgan would love to see more structure brought to the national program, to ensure consistency of service across the country. While she is encouraged by the support the program receives from the nation's leaders, there is much more that can be done in Australia with the right knowledge, resources and commitment.

Morgan has also been involved in the international expansion of the tax clinic concept into the UK and Ireland, and is hopeful the Organisation for Economic Co-operation and Development (OECD) will jump on board. In the meantime, she is excited by the growth of the movement internationally, much of it driven by Nina E. Olson, the American taxpayer advocate widely considered the pioneer of the low-income tax clinic concept.

Kayis-Kumar also points out that, by supporting society's most vulnerable and relieving them of some of their psychological burdens, the tax clinics have a role to play in bringing down the economic cost of mental illness, estimated by the Productivity Commission to be about A\$220 billion every year.

Kayis-Kumar also hopes to use the clinic's research agenda to identify systemic injustices in the tax laws in order to put forward options for reform.

"Identifying the issues and shining a spotlight on them would affect so many people if addressed," she says. "Without knowing what's happening on the ground with these clients, we can't make those recommendations for reform, but I'd love for us to be in a position where we could help even more people."

"We have a model that works, we know the clients' need for help is genuine, and we know there are many more people out there." ■

KNOW YOUR LANE TO STAY OUT OF TROUBLE

AMID RISING TAX LAW
COMPLEXITY, IT IS IMPERATIVE
THAT TAX AGENTS UNDERSTAND
THEIR BOUNDARIES WHEN
GIVING ADVICE TO CLIENTS.



WHEN ADVISING CLIENTS, accountants need to be aware of, and stay within, the scope of their engagement and their expertise. They not only risk breaking the law by providing advice they're not appropriately licensed to give, but should they fail to deliver services competently, they'll find themselves in breach of the *Tax Agent Services Act 2009 Code of Professional Conduct* or other provisions of the *Tax Agent Services Act 2009*.

Overstepping the mark can lead to legal claims, which are escalating as regulations tighten, according to QBE Insurance panel expert lawyers Matthew Curll and Frank Hinoporos of Hall & Wilcox. They point to financial penalties, disciplinary action, client loss and increased insurance premiums as common outcomes – “a real double penalty for an accountant whose insurer is forced to pay out a claim”, Curll says.

Critically, if a practitioner is found to have contravened the limitations of their professional indemnity (PI) policy – by committing fraudulent or dishonest acts, for example, or tipping clients towards specific investments – they could be left uninsured and severely out of pocket.

TOEING THE LINE

Activities that tend not to be automatically included in accountants' PI cover range from investment advice and financial planning to mortgage and finance broking, insolvency, corporate advisory around mergers and acquisitions and buying or selling a business. If accountants wish to be properly insured for these activities, they should raise this with their

insurer. For certain other scenarios involving complex law – those events or transactions that go beyond “business-as-usual” compliance – Hinoporos believes practitioners need to self-assess their competency to provide advice, particularly if they don't handle similar cases on a regular basis.

Specialist expertise, he says, is often required for common “landmines” such as stamp duty and areas where the Australian Taxation Office (ATO) has an “aggressive compliance focus”, including the small business capital gains tax concessions, shareholder loans (Division 7A), aggressive tax planning involving trusts and complex offshore arrangements. It also extends to situations that carry significant tax risk, like ATO audits, or have the potential to snowball over time if mistakes are made that may have implications at a later point or over time, such as when structuring a business.

“The common thread for all of these things is that they're complex,” Hinoporos says. “They create binary outcomes and the ATO, with the benefit of hindsight, is always going

to have the upper hand, with the client trying to defend what they did at the time.”

MITIGATING RISK

When considering whether they're the right person for a job, accountants should assess the level of risk involved, factoring in the dollar value of the transaction, the complexity of the issue and their technical limitations.

If they are confident to take on the brief, but wish to mitigate their risk exposure, Curll recommends having their advice sense-checked. Likewise, when providing conceptual or “high-level” information, they should make it clear to the client that it is not a definitive answer.

“It's really important that a rider, or limitation of liability, gets sent to clients in writing, as the lack of contemporaneous records can be a disaster for accountants if they need to defend their position or are alleged to have provided specific advice.”

If the request is out of scope, practitioners can outsource advice to a specialist tax lawyer or accountant, Curll says they should first determine that the person or firm they're referring work to has the relevant expertise and is a good “fit” for their client.

It also pays to consider whether the specialist will enhance or challenge their client relationship, Hinoporos adds, suggesting that small practices, in particular, can use external support to their advantage.

“With a good network of advisers that you can bring in to help you out when things get more complex or risky, you can keep that long-term client relationship and not run the risk of having another firm take it away.” ■

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■
Regional CFO Asia,
FCM Travel Solutions,
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■
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strategy and risk roles in
Singapore, the US, the Middle
East, the UK and Australia.

■
Gained CPA
qualification in
London in 2007.

■
In charge of 59 people
across financial
planning and analysis,
controllership,
product, data and
analytics, strategic
partnerships and
mergers and
acquisitions.

AS TOLD TO ADAM COURTENAY PHOTOGRAPHY LUKE MARSDEN

ENTREPRENEUR AT HEART

FOR TIMOTHY WILLIAMS CPA, ONE OF THE GREATEST LESSONS THE TRAVEL INDUSTRY SHOULD LEARN FROM DISRUPTION IS THE VALUE OF THINKING OUTSIDE OF THE BOX WHILE REACTING AND ADAPTING QUICKLY TO CHANGE.

MY ROLE BREAKING THE MOULD

I have been told before I shouldn't have been a CFO – I would make a much better chief commercial officer. I've always been entrepreneurial, and my role at FCM Travel Solutions, especially in this COVID-19 period, has been to break the mould and think differently. Having that mindset, coupled with my CFO and COO experience, has allowed me to understand the importance of taking charge of the business while continuing to keep an eye out for potential opportunities.

As an industry, what we did in the past is not what we need to do in the future. The foundational aspects of getting someone from point A to point B is the minimum expectation of a client. What clients need today is all the additional value add. They see value differently, and we must adapt our business model. You may have to look outside of our traditional sphere and partner with industries that will enhance that offering to the client.

I prefer not to use the term "strategic transformation", because all businesses must evolve to remain competitive. A business that can't, or won't, will not be successful for long. In the end, it's about capital allocation and how we use that to drive the business. This could be investing in our sales engine, talent pool, M&A, new markets, new products, technology or strategic partnerships. My role is to work with the rest of our leadership group in making those decisions, which not only brings value to our clients, but also, ultimately brings a return to our shareholders.

MY CHALLENGES TOUGH DECISIONS

COVID-19 is not the only challenge we have had to face in recent times. Broader political and trade challenges abound. With the sharp curtailment of global travel, we had to act fast to secure and stabilise our business, so that, as things evolved, we would guide ourselves through the current pandemic.

We had to make tough decisions for the business to survive and remain stable. Corporates tend to be very poor at reacting to situations because, when times are good, discipline can sometimes wane. Those who adapt quicker to economic cycles, or have planned for it, tend to do better. The decisions that we took had been about ensuring that we would be in a position to ride through COVID-19 and out the other end successfully.

Cash flow is the biggest financial challenge. When you see business virtually evaporate overnight, you need to react and model out what you can do to preserve cash. This has involved tough negotiations with suppliers, when they also are doing it tough. It also means prioritising where you will spend.

The other big challenge is forecasting. Australia is a prime example. Unless you are in New South Wales, you slam the borders shut in the blink of an eye to any state with a case of COVID-19. Ultimately, you are dealing with daily moving pieces. We have built extensive models to try and adapt to changing scenarios.

GAME CHANGERS INTERNATIONAL EXPOSURE

When I was in my early 20s, my manager asked me, "What do you want to do?". I told her I wanted to be a regional CFO by the time I was 28. She replied, "OK, so how do we make that happen?". We talked about what that would look like, but ultimately – and this is a lesson I give to my staff all the time – it's your life and your career. I got there when I became the regional CFO and COO with Aon in the Middle East.

I am an Aussie and British expat who came from an expat family. I was always going to move to spend a vast majority of my time overseas. I moved to London when I was 26 and started working for insurance broker Mitsui Sumitomo UK and EMEA. It was the start of the acceleration of my career. London is one of the true global financial services hubs. You will not beat working in what is the heart of the global financial centre.

After London, I moved to the Middle East (Bahrain, Dubai), the US (Chicago) and finally Singapore. Each has brought its own challenges. Having this exposure allows you to integrate and better understand how to be a regional or global leader. I have been fortunate to end up in an industry that not only fulfils one of my passions, but is also one where I can really drive aggressive growth. ■



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LESSONS LEARNED AND BEST ADVICE

- Be bold, brave and confident: People look to their CFOs to guide decision making and to bring confidence to the overall decision making and strategy.
- Understand your customer base and what drives their decision making: This helps you to understand what is important to your customer and how your business decisions can align to meet it.
- Get comfortable with being uncomfortable: I don't mean wear a ski suit in a sauna for an hour or two. Put yourself out there and lead from the front.
- Keep focused on your long-term goals: The world is full of twists and turns in your personal and professional life. Strong long-term goals will help keep focus.

DRIVEN BY DATA

DATA CAN BE A GOLDMINE FOR SMALL AND MEDIUM-SIZED ENTERPRISES, BUT ITS FULL POWER CAN ONLY BE REALISED BY BUILDING A SHARED DATA CAPABILITY AND PROMOTING A DATA-LED CULTURE.



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CPA Australia's
*Asia-Pacific
Small Business
Survey*

AT A GLANCE

■ According to Gartner's 2021 top trends, data and analytics is shifting from a secondary business function to a core function.

■ The accelerated adoption of digital technologies by many SMEs has opened up new opportunities to take full advantage of data to improve decision-making.

■ Data analytics can present a 360-degree view of a company, laying the groundwork for improved performance analysis and value measurement.

STORY SONAKSHI BABBAR

Much has been said about the COVID-19 pandemic pushing digital transformation for small and medium-sized enterprises (SMEs) into overdrive. According to the *Fiverr Small Business Sentiment Survey*, after the initial shock of the pandemic subsided, the demand for new technologies and tools from Australian SMEs skyrocketed. By focusing on digital technologies and e-commerce, these tech-savvy SMEs managed to stay relevant and competitive in the “new normal”.

However, according to CPA Australia's most recent SME survey, technology uptake in Australia is lagging far behind its Asia-Pacific neighbours.

In Malaysia, for example, many SMEs, and in particular family owned businesses, have shifted their views on the benefits of using technology in more areas of their business. What was once thought of as “nice to have” is now considered to be a “must have”, says Khai Chiat Ong CPA, partner of risk assurance services at PwC Malaysia.

“This suggests that family businesses are now geared for digitalisation,” says Ong.

“With digitalisation comes data and the need for building a data-driven culture at smaller businesses.”

The writing on the wall for SMEs is clear – unlocking business value in the post-pandemic world means building shared data capabilities and a culture that values data and informed decision-making.

WHAT IS HOLDING SMES BACK?

Be they large or small, getting more companies to use data in their decision-making is “not as straightforward as it sounds”, says Chelsea Wise, marketing director at Hyper Anna, an Australian AI-powered data analytics platform.

“People will take the time to understand the numbers, if it helps their job,” she adds. “If they can't see an obvious benefit beyond that, things become more difficult.”

Wise says that an *Accenture study* of more than 9000 people has recently found that, while the majority have an appetite for data, data literacy is low. Nearly 80 per cent of the participants are not happy working with data.

Sanjay Panjabi, audit analytics partner at Deloitte & Touche in Singapore, highlights a similar objection at ground level.

“Initially there was resistance from the practitioners to adopt data analytics because the mindset was that, ‘All these years I've been doing my work and haven't had any issues with the regulators. Do I really need to do this?’

“Their perception was that it's probably additional work on top of what they're already doing. So, why would they want to increase the workload?”

Wise explains that, traditionally, the barrier to data analytics was very high within businesses because they would either need to hire a data analyst and build a team of experts that would handle all data and insights requests, or they would look to business intelligence tools like Tableau and Microsoft Power BI.

Both these pathways, she says, worked for enterprises that had access to resources and budget, but they may have seemed impractical to SMEs.

“There is still a common misconception that going digital and using data will require a huge investment – new headcount, new technology, etc. – a potential change to their current operating model and a restructuring of how things work,” says Ong.

“It's perceived as a large investment,” he adds.

BENEFITS OF DATA-DRIVEN CULTURE

With all the data being collected by SMEs – about sales, marketing, products, revenue or geography – many businesses are sitting on an untapped goldmine.

Informed decisions: Data analytics can provide SMEs with incredibly detailed insights into all aspects of operations. “The actionable insights from data analytics can help SMEs direct their business spends and resources to areas that need it most,” says Wise.

“When working with SMEs, I try to get away from the tools, technology and the data that exists, and instead focus on conversations about what data does, what it captures, what it doesn't capture – and what really helps business leaders facilitate the conversations around the business problems.



“UNLESS THE CONNECTION BACK TO THE ‘WHY’ IS UNDERSTOOD BY EVERYONE IN THE BUSINESS, BUSINESS LEADERS ARE GOING TO HAVE A HARD TIME ENCOURAGING PEOPLE TO ADOPT MORE DATA-LED INSIGHTS INTO THEIR DECISION-MAKING HABITS.”

CHELSEA WISE, HYPER ANNA



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“Data literacy across the organisation helps everyone in making informed decisions.”

Success measurement: “With data analytics, you can develop transparent reports that provide a solid 360-degree view of the company and help stakeholders better understand and measure the performance of the company,” says Panjabi.

According to a [2018 IBM and Forrester report](#), 58 per cent of firms acknowledge that data and analytics are very important to the business competitiveness of their organisation.

“Data analytics offers tangible benefits across all business functions – this knowledge gives a competitive edge to organisations,” he adds.

Collaboration between business functions: Panjabi believes a key outcome of building shared data capabilities within organisations is the collapse of silos and the resulting opportunities for collaboration.

“When different business functions and teams coordinate among themselves for data sharing and insights, it brings higher value to the organisation, compared to just individual teams in marketing or sales working in silos with their data.”

Data monetisation: Ong points out that the benefit of data monetisation is often interpreted from a narrow view of selling data externally for a profit.

“The real value from data monetisation can be from three angles: use of data for a new stream of business, enhancing the value of existing products or services,

and using data to improve internal processes and operations,” he says.

CREATING A DATA-DRIVEN CULTURE

Given the challenges facing SMEs in grasping data opportunities, building a data-led culture across functions and geographies to define and deliver value can be an uphill battle, although not impossible.

These tried and tested recommendations for introducing and sustaining a love for data at every level of a business are a good place to start.

Get buy-in from the top: “One of the key things we did when we started our journey with data analytics eight to nine years ago was to ensure buy-in from the leadership,” says Panjabi.

“The tone, messaging and early commitment from the top helped us with our organisation-wide adoption.”

According to *Harvard Business Review*, while the CEO should become a prominent champion of the new culture, he or she needs an operational partner, such as the chief data officer, who is well positioned to become the data and insight change agent, leading the company-wide transformation.

Wise says those in charge of data and analytics have “to understand and lead by example, because data analytics is not just data cleaning and collection, it’s actually the consumption of data to make better decisions every day at work”.




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Employee-led adoption: Panjabi says that, although commitment from the leadership is one of the key drivers in adoption of data culture, what has really helped his firm to execute the strategy successfully was to bring in different skill sets and capabilities across all functions in the organisation that meet the requirements and challenges.

“I usually use the concept of QEV, which stands for establishing quality, efficiency and bringing value, not just to ourselves, but also to our clients, stakeholders and employees.”

He recommends looking beyond solving client problems to pay attention to the needs of employees as well.

“If employees see how data can help them do their work better and more efficiently, and they can see an immediate benefit to it, then they will get on board immediately.”

Start small, then scale up: While organisations should set a long-term vision on how data can be used across the business, they also need to take a step-by-step approach to implementation.

“Starting small allows organisations to gradually roll out the use cases across the organisation, measure the success of these cases, refine the existing cases, up-skill talent and move on,” Panjabi says.

“In addition, with current technology capabilities, such as cloud analytics, organisations do not need to allocate a huge sum of investment up front for the

analytics platform – they can also gradually scale up the platform as the use cases grow.”

Tell a story: Wise says building a data-led culture requires constant storytelling and relentless communication of the value of data up and down the organisation and across departments.

“You’ve got to frame an abstract statement like ‘Data literacy is important’ to something more concrete, like ‘Solving business problems with data.’”

When people begin to believe in the data, it is a game changer. Wise recommends using messaging that makes data literacy personally relevant to individuals and teams.

“Unless the connection back to the ‘Why’ is understood by everyone in the business, business leaders are going to have a hard time encouraging people to adopt more data-led insights into their decision-making habits,” she says.

Wise says business problems need to be front of mind, because making sense of data can get very convoluted, very abstract and very technical quite quickly.

RIGHT PEOPLE, RIGHT SKILLS

Panjabi recalls that when data analytics was first applied in the audit and assurance function at Deloitte’s Singapore practice, they were the early adopters. “Being auditors, we were not data science people. We made sure that we had a team of people who had the necessary skills that complemented each other,” he says.

“When we started out many years back, we merged two sets of people – technical people, and business and audit people. As we move into the future, these two sets will become just one person having these multiple skills.”

Ong says empowering in-house talent with data capabilities such as robotic process automation, data analytics and visualisation tools helps kick-start the data-driven culture.

“When people have the skills, you can drive innovation initiatives that encourage talent to consider how these capabilities can improve their work performance or drive insights.” ■



Right: Sanjay Panjabi,
Deloitte & Touche Singapore

TOOLS FOR THE TASK

Business intelligence (BI) tools are types of application software that collect and process small or large amounts of unstructured data from internal and external systems, including documents, CRM, images, files, email, video and other business sources.

Giving teams access to the right BI tools makes it simpler and less intimidating to gather the right data and visualise it in meaningful ways.

“Selecting the right BI tool depends on the volume and complexity of data, size of the organisation, skill set and the problems you are trying to solve,” says Chelsea Wise.

Sanjay Panjabi adds, “For small organisations, or ones in the early stages of data collection, tools like Excel analytics and customer analytics platforms such as Google Analytics can probably achieve the objectives in an affordable way.”

Popular BI tools:

- [Microsoft Power BI](#)
- [Tableau](#)
- [Cognos Analytics](#)
- [Qlik](#)
- [ThoughtSpot](#)
- [Sisense](#)
- [Google Analytics](#)

SAFE AS HOUSES?

THE AUSTRALIAN PROPERTY MARKET HAS GROWN EXPONENTIALLY OVER THE PAST FEW DECADES, DEFYING THE GLOBAL FINANCIAL CRISIS (GFC) AND NOW A PANDEMIC. WHAT MAKES IT SO RESILIENT, AND SHOULD STEPS BE TAKEN TO COOL IT DOWN?



AT A GLANCE

■ At the start of the pandemic, some industry insiders predicted a 30 per cent decline in house prices in Australia over a 12-month period.

■ Instead, house prices have been increasing at the fastest rate in 32 years, rising by 2.8 per cent in March 2021 alone.

■ The resilience of the property market is caused by a number of factors including stimulus measures, constrained consumption and investment choices, and low interest rates.

STORY JOHANNA LEGGATT

For almost two decades, the unstoppable march of the residential market has been one of the dominant narratives of the Australian property sector. It is an enduring story of smashed sales records, desperate first home buyers and packed crowds at auctions, fearful of missing the boat.

Then the pandemic hit, and it seemed that the run was over. Last year, many property analysts warned of doom and gloom, with some industry insiders predicting a worst-case scenario of a 30 per cent decline in house prices over a 12-month period.

However, Dr Cameron Murray, an independent economist and post-doctoral fellow at the University of Sydney's Henry Halloran Trust, saw the situation differently.

In May last year, Murray argued the case for a bull property market, and said the housing market was far more likely to boom than crash in the aftermath of lockdowns.

When he posted a [link to his argument](#) on Twitter, the backlash was severe.

"People thought I was insane," Murray says. "I have since reminded people quite a few times to check out the response to this tweet a year ago."

Nowadays, Murray feels vindicated. According to property data analyst CoreLogic, Australian housing prices have been increasing at the fastest pace in 32 years, rising by 2.8 per cent in March 2021 alone. Between January and April 2021, Sydney's median house price rose by A\$100,000.

THE PERFECT STORM

Why is the Australian property market showing such remarkable resilience?

Murray says we need to cast our minds back to three years prior to the pandemic, when the Australian property market experienced a large price adjustment.

"You don't usually get crashes after three years of nothing. You get crashes after three years of unbelievable price growth," he notes.

It also helps to think of the Australian housing sector as part of a broader global market that has also seen price rises in the past year.

Murray points out that, in the US state of Arizona, prices rose by 30 per cent over the course of this year, while Auckland has seen a more than 20 per cent rise in housing prices. There have been steady rises in Europe as well, particularly in Germany and Denmark.

"It's important to remember that it is very hard for [Australia] to just crash all on our own," Murray says.

Another contributing factor in Australia has been historically low interest rates, which makes money cheap to borrow. Consumers' spending options have also been limited by restricted choices – no international holidays, no music concerts or theatre performances, no going out to bars and restaurants. At the same time, individuals also increased their savings due to concerns around their job safety and businesses.

"I think we also forget that Australia had an outsized stimulus last year," Murray says. "I calculated it was five times bigger than the post-GFC stimulus in terms of cash payments to households."

"Now everybody is a bit cashed up. We can see more people competing at those higher prices for property because they can borrow at low interest rates."

DO PRICES NEED TO DROP?

Many experts argue that something needs to be done to make property more affordable and accessible for lower and middle-income households.

Dr Andrea Sharam, senior lecturer with the School of Property, Construction and Project Management at RMIT University, highlights the inherent conflict in



CAPITAL CITY DWELLINGS

DWELLING VALUES ON THE RISE

Index results as at
March 31, 2021

| | Change in dwelling values | | | | |
|--------------------------|---------------------------|-------------|--------------|--------------|------------------|
| | Month | Quarter | Annual | Total return | Median value |
| Sydney | 3.7% | 6.7% | 5.4% | 7.9% | \$928,028 |
| Melbourne | 2.4% | 4.9% | 5.4% | 7.9% | \$736,620 |
| Brisbane | 2.4% | 4.8% | 6.8% | 11.3% | \$548,260 |
| Adelaide | 1.5% | 3.2% | 8.6% | 13.1% | \$486,555 |
| Perth | 1.8% | 5.0% | 6.0% | 10.8% | \$505,850 |
| Hobart | 3.3% | 7.6% | 12.5% | 18.0% | \$548,686 |
| Darwin | 2.3% | 5.4% | 14.2% | 19.9% | \$451,408 |
| Canberra | 2.8% | 6.0% | 12.1% | 16.7% | \$727,032 |
| Combined capitals | 2.8% | 5.6% | 4.8% | 8.1% | \$693,936 |
| Combined regional | 2.5% | 6.3% | 11.4% | 16.6% | \$448,819 |
| National | 2.8% | 5.8% | 6.2% | 9.7% | \$614,768 |

SOURCE: CORELOGIC



housing being both an essential need and a highly lucrative investment.

“Australia does not have a coherent national housing policy, and this is unlike many countries that see it as a very important duty to house people,” Sharam says.

“In terms of policy, we have one foot on the accelerator and one on the brake.”

In particular, she points to the capital gains tax (CGT) concession, which offers a 50 per cent CGT discount on capital gains generated for investment properties.

The discount applies to capital gains generated on all asset classes held for 12 months or more.

“This capital gains tax concession is one of the key drivers of unaffordability, and since it was introduced in the Howard era, house prices have just gone up and up,” she says.

In addition to reforming CGT, Sharam believes Australia needs more housing that is not entirely within the “speculative sector”.

“We need to expand social housing, because we have lots of low-income people in Australia who cannot afford private rental, let alone purchase housing,” she says.

“The private rental sector has also grown hugely in the last 30 years, and we don’t have that culture they have in Northern Europe with regards to tenant protection.”

Sharam would also like to see institutional build-to-rent developments encouraged through tax incentives.

Build-to-rent developments are typically owned by institutional investors, such as superannuation funds, for the long term and offer tenants more secure, long-term leases.

“Let’s fix up the tax regime, so that the build-to-rent proponents have advantages, because these are long-term investors who are not ‘flipping’ properties – they are in there for the rental yield, so they will make really good landlords, and they will build quality housing,” she says.

Sharam is also keen to see a scrapping of the state-based stamp duty tax paid by the house purchaser in favour of an annual land levy: a proposal, incidentally, that has been floated by the New South Wales Government.

“Paying this huge lump sum [to the government] when you purchase a property makes life difficult,” she says.

Above: Dr Andrea Sharam, RMIT University.

Centre: House prices in Melbourne are forecast to rise by 17.6 per cent by the end of 2021.

Top right: The construction site of a residential skyscraper in Shanghai.



“AUSTRALIA DOES NOT HAVE A COHERENT NATIONAL HOUSING POLICY, AND THIS IS UNLIKE MANY COUNTRIES THAT SEE IT AS A VERY IMPORTANT DUTY TO HOUSE PEOPLE.”

DR ANDREA SHARAM, RMIT UNIVERSITY

WHEN GOVERNMENTS INTERVENE

Over the past decade, the Australian Government’s solution to housing affordability has taken the form of grants for first home buyers, building schemes and incentives to encourage people to save for a deposit for their first home.

Far from making home ownership more accessible, these schemes “add fuel to the fire”, says Sharam.

Murray agrees and says these are the sorts of policies governments announce when they “don’t want to do anything serious about the housing market”. However, Murray is not a fan of manipulating the asset price through tax settings, and sees this as a political “hot potato” that no government would touch.

The housing market is already worth A\$8 trillion, he says. “If you try to intervene in that market to halve the cost of housing, there’s A\$4 trillion disappeared off the balance sheets of the wealthiest 60 per cent of home owners, concentrated in the wealthiest 18 per cent who are landlords, and it’s a political impossibility.

“There’s never been a wealth redistribution in history that large without a war or a revolution.”

Instead, Murray floats the possibility of a “parallel system” in which the property buying and investor classes are untouched, but the federal government opens “a secret door” to the market at cost price.

“For example, a national housing developer could build 50,000 dwellings a year [on the condition] that they can only sell to people who don’t already own housing, at construction cost price with a discount line,” he says. “Then, you flood the market with supply.”

This kind of approach is not without precedent. Government intervention in Singapore has allowed residents to access secure housing in an affordable fashion, Murray says, through its Housing and Development Board (HDB). The HDB offers flats for sale for a subsidised price, and there are tight regulations around selling and renting out your HDB home.

Murray points out that, in Singapore, about 80 per cent of people live in government-built housing. “Essentially, they have created what we have in our public health system, but for housing,” he says.

In Mainland China, Shanghai residents wishing to buy a house need to go through a newly announced lottery system that scores them according to their need for housing. Under the rules, announced earlier this year, preference will be given to families without existing housing. A five-year ban on the resale of new houses has also been announced to cool the market in Shanghai.

New Zealand has recently introduced strong measures to rein in its runaway housing market, with an extension to the investor holding time to receive tax offsets – known as the bright-line test – from five to 10 years to curtail investor flipping.

While acknowledging the New Zealand market was overheating, Elinor Kasapidis, CPA Australia’s senior manager tax policy, is not convinced the proposed tax changes are appropriate or “will be effective to cool it down”.

“The supply and demand of residential property is a complex issue and warrants a considered response,” she says. Property investors who don’t need to borrow to fund their purchases will be unaffected by the loss of deductions, Kasapidis maintains.

“It’s hard-working New Zealanders trying to get ahead by purchasing an investment property who bear the brunt of this change,” she says.

“The extension of the bright-line test... is not unreasonable, but may suppress turnover in much the same way the imposition of stamp duty does in Australia.”



Above:
Dr Cameron Murray,
University of Sydney

Right: The median
price of properties in
Melbourne has risen
to a record high of
A\$1,022,927 over
the past year.



DOWNSIDE TO GOVERNMENT INTERVENTION

Pete Wargent, international property buyer, finance and real estate expert and co-founder of property buying company AllenWargent, does not endorse government intervention as a tool for taking the heat out of the market and making housing more affordable.

In particular, he is opposed to the Reserve Bank of Australia using policy levers, such as instituting limits on the percentage of high loan-to-value loans and enacting greater scrutiny over borrowers' income and expenditure.

"Overzealous macroprudential measures choke off the credit supply to the economy, as small business owners also use equity from housing," he says.

Instead, more affordable housing should be built to address the issue of younger people being priced out of the market.

"Realistically, sizeable blocks of vacant land will be hard to come by in the capital cities in established suburbs, so planning should allow for unit developments on brownfield sites and above train stations," he says.

Social housing is important, too, Wargent argues, but notes there doesn't seem to be much political will in this direction, "even at a time when we're running a massive budget deficit".

"I wouldn't hold out much hope when the talk returns to balancing the books," he says.

As far as the next two decades are concerned, Wargent does not foresee a property crash on the horizon. In fact, he intuits the opposite.

"Real estate tends to be cyclical, so the cycles will likely continue," he says. "A lot can change in 20 years, but Australia is a clean, safe and desirable country, with an open economy, a free-floating currency and control of its own monetary policy, so I expect population growth to return and the sector to thrive, if not boom."

Are we in a property bubble? "Not at the moment," he says.

"There may be some nascent risks just beginning to emerge in some regional markets, if there is a population shift back towards the capital cities in the coming years, but it's hard to say we're in a bubble with [mortgage] serviceability at the easiest levels in decades." ■

"A LOT CAN CHANGE IN 20 YEARS, BUT... I EXPECT POPULATION GROWTH TO RETURN AND THE SECTOR TO THRIVE, IF NOT BOOM."

PETE WARGENT,
ALLENWARGENT



BEST PRACTICE SOLUTIONS FOR FOREIGN EXCHANGE

LOOKING TO TRANSFER MONEY GLOBALLY BUT UNSURE WHERE TO START? SAMUEL PITT, OFX'S ACCOUNT MANAGER, ENTERPRISE AND PARTNERSHIPS, OFFERS TIPS FOR SOME COMMON FOREIGN EXCHANGE SCENARIOS.

DESPITE THROWING FOREIGN exchange (FX) rates into a state of flux over the past 18 months, the COVID-19 pandemic has also been a breeding ground for opportunity.

Many traditional bricks-and-mortar retailers have pivoted online and ventured into global markets, gaining a new customer base in the process while also creating security in the event existing revenue streams slacken due to pandemic-related restrictions.

Amid such upheaval, FX support can not only help mitigate revenue loss from poor exchange rates and fees, but it can also identify the right solutions for specific circumstances, says Samuel Pitt, account manager, enterprise and partnerships at global money transfer specialist OFX.

"Whether they're individuals, traditional businesses or emerging e-commerce businesses, everyone has a different need," he explains. "There's no cookie-cutter approach."

FX OPTIONS FOR OVERSEAS TRADE

Growing numbers of retailers receiving payments from international e-commerce marketplaces need to contend with a whole new world of payment gateways, country-specific rules and regulations, fees and

payment structures. Considering the different FX options available is key to capitalising on new ventures.

One such solution is a global currency account that enables online sellers to collect funds across different currencies depending on where their customers are based, make payments like a local through access to multi-currency funds, and repatriate all international revenue back to their home country when ready, so they are not at the mercy of currency markets.

"It's about working with the different payment gateways and getting the most bang for your buck, avoiding situations where you're doing double conversions or paying fees unnecessarily," Pitt explains.

Meanwhile, Australian importers and exporters hoping to protect their business from the fluctuating market might consider currency hedging strategies and tools such as forward contracts. These allow businesses to transfer funds up to 12 months in the future at an agreed rate, so they can forecast and budget accordingly.

Target rate transfers are another option that enable businesses to take a "set and forget" approach.

"Clients can set a target rate and if that rate is reached, the transfer will be processed. This

can be beneficial if you have time on your side, or flexibility with when you need to move your money, as it allows you to keep your eyes on your business, not on exchange rates."

TRANSFERRING MONEY ABROAD

It is not just businesses that stand to benefit from FX support.

Individuals planning to sell US shares or employee shares in a foreign currency and repatriate the funds back to Australia, for example, often look to experts to guide them through the process. Dealing with e-trade accounts and dividend payment dates can be "a walk in the woods", says Pitt, particularly if this is the first time selling overseas shares.

If you are looking to sell US shares, you need a local US account to enable the share dealing platform to pay into. FX specialists can help bridge the gap for these share sale transactions by administering the overseas payment and converting it into the desired local currency.

"Offshore equity management is tricky, and the correct process is often hard to identify," Pitt says. "FX experts can help people navigate the transfer process of moving funds from A to B in an uncomplicated fashion." ■

[Click here to learn more](#) about preferential FX rates for CPA Australia members

STORY **GLENN CULLEN** PHOTOGRAPHY **REBECCA TOH**

IN PERSPECTIVE

THE ABILITY TO UNDERSTAND AND APPRECIATE VARYING PERSPECTIVES IN DIFFERENT SITUATIONS HAS ALWAYS BEEN OF IMPORTANCE TO KOK-CHYE ONG FCPA – BE IT IN EVERYDAY WORK, CAREER-DEFINING MOMENTS OR PERSONAL LIFE.

As a rookie finance manager with the Singapore subsidiary of Dutch paper trading conglomerate KNP-BT in the late 1990s, Kok-Chye Ong FCPA was feeling the heat.

Only in his mid-20s at the time, Ong had solid technical knowledge, but he would be the first to admit that his “soft” skills were a work in progress.

“Being the CFO at such a young age, I was obviously out of my depth and very frightened with all the responsibility,” recalls Ong.

“This was back in the day when you couldn’t Google the answer.”

When a minor miscommunication left a junior staff member in tears, Ong says he learned an important lesson that still serves him well to this day.

“It was wrong for me to assume that what I think will be what the other person thinks as well,” Ong says.

“It was almost 30 years ago, but it is still a lesson I remember – don’t jump to assumptions.

“Don’t assume your way is the right way, even if there’s evidence to back you up. There’s always an emotional and human side to how people see things.”

RIGHT DEAL, WRONG TIME

Ong learned another career-defining lesson in 2001, when he secured a US\$700 million (A\$900 million) syndicated loan to fund what was then the world’s first and longest eight-fibre pair submarine fibre network.

At the time in his fourth year with Singtel, Singapore’s largest mobile network operator,

Ong had recently been promoted to financial controller for the C2C cable joint venture entity. The loan, which he negotiated with a consortium of banks, was awarded the “2001 Deal of the Year” by the *Project Finance International* journal.

Then, in 2002, with the bursting of the tech bubble and after a year or so of declines, investors started moving away from technology stocks in great numbers. As a result, the C2C project ran into financial difficulties and had to restructure the loan facility.

Ong focused his energies on working with the lenders to continue providing liquidity to the business during this difficult time. He says the extreme highs and lows of the C2C project helped him develop his sense of perspective and resilience – something that would come in handy for his first long-term overseas move to Australia.

A DIFFICULT TRANSITION

Amid the tech downturn, Singtel made a successful takeover bid for a company that, at the time, was known as Cable and Wireless Optus. In 2003, in his early 30s, Ong was named group finance manager of Optus, based in Sydney.

“It was a hostile environment, because it was perceived to be an unequal ‘marriage’, with Optus being a bigger company,” Ong recalls. Ong also had the added challenge of managing people from a range of different cultural backgrounds while making deep cuts to the business.

“I explained to people that it wasn’t my job to be popular – it was my job to be

transparent and fair,” Ong says. After nearly three years in Australia and, given he is still in contact with many people there, Ong considers his tenure at Optus a success.

The move to Australia meant that Ong had to shelve his plans for further studies, but when his tenure with Optus was complete, Ong took a year off to attend the Sloan Fellows Program at Stanford University in the US, graduating with a master of science in management and a certificate in global management from the Graduate School of Business.

Being in the heart of Silicon Valley afforded Ong extraordinary networking opportunities. “The connections to me were even more important than what you learned in the classroom,” he says.

DATA CENTRES IN DEMAND

In July this year, Ong was appointed managing director and head of internet data centres (Asia ex China) at capital management company Gaw Capital, following a 10-year stint as senior vice-president and head of global strategy and investments for Keppel Data Centres, which supports mission-critical computer systems focusing on energy and environment, urban development, connectivity and asset management markets.

In his 10 years with the Keppel Group, Ong has contributed to raising US\$1 billion (A\$1.3 billion) to launch its first pure-play data centre fund, Alpha DC Fund. He has also helped grow the portfolio of data centres across the Asia-Pacific and Europe from eight to 26 hubs, and has contributed to the success of the IPO



ONE PIECE OF ADVICE

“A career path is unpredictable, filled with random encounters and opportunities. I have learned to accept setbacks in the proper light, as they help prepare for eventual success. There’s always a silver lining if you look hard enough – after all, there’s no mountain without a valley.”

of the first data centre REIT listed in Asia, whose share price has tripled since its listing.

In 2018, Ong was ranked by *Data Economy* magazine as one of the world’s top 25 finance deal makers in the data centre industry.

Joining Keppel as senior finance manager in control of one of the smaller listed companies, Ong moved into corporate development and the European business, before taking on a broad-based role, where he got to “scout the world” looking for data centres and raise capital to fund their acquisition.

A major new asset class that has taken off during the past five years, demand for data centres has “gone through the roof” during the pandemic, says Ong. This is a sign of the changing nature of technology use in the industry – something accountants need to get comfortable with.

“Accountants by nature tend to be a little bit conservative, but I do see the adoption of technology into accounting practices becoming mandatory, or we will get left behind,” Ong says.

“I took part in a recent SAP senior executive panel, where it was reported that close to 40 per cent of all accounting processes are still manual.”

Ong sees more accounting going to the cloud, increased automation of processes, greater use of analytics in fraud detection and artificial intelligence being used to track inventory levels and drive superior customer analytics.

THE LONG RUNWAY

Ong understood the importance of living within your means early in life. The family relied on his father Yong-Poh’s modest wage as an accountant. There was no car or television and money was tight. However, when Yong-Poh landed a job with British Petroleum later in his career, things changed and Ong’s eyes were opened to the possibilities in a global economy.

Ong’s father taught him the core values of hard work, thrift and always putting in your best effort, but he never pressured his son to follow in his footsteps. After some initial stumbles on his journey towards a career in finance, Ong took some accounting units in junior college, which led to a bachelor of accounting degree at Singapore’s Nanyang Technological University, where he went on to become a top student in financial accounting.

An internship with PwC followed, then his first job with Arthur Andersen as a tax consultant, where he learnt another life lesson – when you’re young, work out what you don’t want to do. At the start of your career, there is a long runway ahead of you. Use this time to experiment and figure out what you like and don’t like. Don’t be afraid to try new things.

On his long and varied career path, Ong’s success has hinged on putting integrity before capability, being truly honest with yourself at all times, and being willing to invest in a business relationship without expecting anything back.

“Success is a function of preparation and opportunity,” Ong says. “Eventually people will sit up and notice your abilities and achievements, if you put in the effort.” ■





DIGITAL FUTURE OF CORPORATE REPORTING

IT IS EASY TO SEE THE POTENTIAL DIGITAL TECHNOLOGY HOLDS FOR BRINGING CORPORATE REPORTS TO LIFE - BUT ARE WE READY TO EMBRACE AND HARNESS IT?

The global pandemic's role in moving us towards leveraging digital technologies in our everyday lives is so widely acknowledged that it has spawned a meme: "Who led your digital transformation? CEO, CIO or COVID-19?"

The question is, how far will companies go in uprooting conventional ways of doing business? Will the pandemic-driven momentum of the past 18 months push the corporate world to adopt concepts that are just now reaching maturity, such as augmented reality (AR) or virtual reality (VR)?

Corporate VR was already picking up in niche applications when the pandemic hit. Johnny Lam CPA, partner at PwC Hong Kong and deputy president of CPA Australia's Greater China Division, says a client recently used VR as part of a safety training program on a construction site. Lam tried out the training himself.

"It has a simulation of how I would feel if I fell from 40 metres above the ground. I didn't put the safety belt on, then I lost my balance. I hit the ground and saw my blood coming out. It is so real – you can feel the freefall," Lam says.

AUGMENTED VS VIRTUAL REALITY

AR and VR sound similar, but provide quite different user experiences.

AR overlays the live view of the real-world environment with digital objects and information. The Pokémon GO phenomenon has served as AR's global "launch party". Hordes of teenagers – and quite a few adults – have been rushing around their neighbourhoods, nose in their smartphone, tracking and capturing virtual monsters.

AT A GLANCE

- According to the Financial Reporting Lab of the UK Financial Reporting Council (UK FRC), corporate reporting will move towards augmented reality (AR) and virtual reality (VR) technology in the next five to 10 years.
- The UK FRC identifies three levels of implementation of digital technology that comprise add-ons for supplementary information, as well as a possible fourth level that involves enhancing the user's understanding of the report with AR and VR.
- AR and VR could present information about long-term performance in a more informative way than static graphs or charts.

One of the most popular non-gaming AR apps is Houzz, a home improvement app with an e-commerce store. Users can select "View in My Room 3D" to place a photo of a couch they may wish to buy within the camera view on their smartphone. Houzz uses 3D technology to produce a lifelike representation of the new item of furniture, taking into account the lighting angles and floor position.

AR can run on smartphones, heads-up displays in cars and see-through eyeglasses.

VR, on the other hand, creates an entire virtual world for you to explore. In some cases, it requires a pair of all-encompassing goggles, a handheld device for interacting with objects and a powerful computer to continually create the virtual world and everything in it.

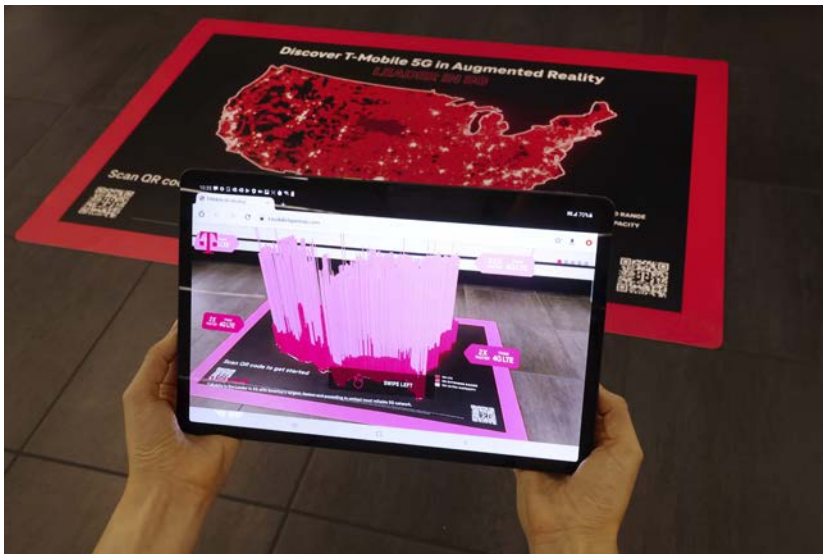
The VR world can be a terrifying, demon-infested spacecraft or a delightful walk-through of a virtual recreation of Buckingham Palace.

USES IN CORPORATE REPORTING

The idea of using AR and VR in corporate reporting is gathering momentum.

In February this year, the Financial Reporting Lab of the UK Financial Reporting Council (UK FRC) published a research report that divides digital experiments in corporate reporting into three levels of implementation.

The first level involves adding QR codes into a document to allow users to watch videos, slideshows or other multimedia containing more information about a particular topic. Alternatively, the code could launch a document such as a sustainability report or take users to a digital version of a paper report.



Above: A virtual representation of telecom provider T-Mobile's expansive 5G network coverage in the US.

Top right: MEET VR and Italy's Rai Cinema have recently collaborated to make a short film using VR technology, able to be viewed exclusively through the use of augmented reality equipment.

This approach is simple, low-cost and easy to implement, with users able to access additional content without leaving the physical report.

The second level involves creating a virtual "front end" for a report using VR or 360-degree panoramas. This is a more engaging way to explore reports and works especially well when focused on a specific theme. However, when it comes to an annual report, this approach only works for the digital version, which needs to be supplemented by a PDF or hard copy.

The third level involves a fully virtual report environment, which users enter to interact with a mixture of video, photographic and textual content. Rather than replacing the traditional annual report, the aim of the virtual report is often to provide an engaging summary, with links back to the full annual report.

The UK FRC has proposed a possible fourth level, where VR and AR could be used to enhance the user's understanding of the annual report.

"Annual reports are most powerful not when they simply tell the story of a single year, but when they tell how a company evolves and changes," the report says. "Investors often highlight the need for comparative information over several years to help predict the company's future."

AR and VR technology could present information about long-term performance in a more informative way than static graphs or charts. For example, it could be used to create business modelling that evolves and changes as the user moves across the reporting timeline, or 3D graphs and charts that create insight into the company's performance.

The UK FRC outlines several areas for future development and improvement for using AR and VR in reporting.

Event-based reporting includes scheduled events such as annual or interim results, annual general meetings or shareholder meetings. As a result of the pandemic, videoconferencing has become a very common way to conduct these meetings, and this fits well with the use of AR and VR.

Insight reporting covers examination of a company's operations, business model and products through meetings with management and site visits. AR and VR offer an alternative to physical meetings and have already been used by companies to provide product and operational insights.

Aspirational and narrative reporting encompasses everything else within corporate communications. Again, video is already a commonly used medium, and AR and VR offer the opportunity to turn the viewer into a participant within the narrative. "This makes VR and AR ideal for communicating emotive subjects such as sustainability, and corporate purpose and history," the UK FRC says.

SETTING AND MAINTAINING STANDARDS

Environmental, social and corporate governance (ESG) reporting has been rising in importance over the past decade.

In Malaysia, companies have also been moving towards integrated reporting.

"During this period of the COVID-19 pandemic, ESG reporting has become more important, and

Right: Darlene, an augmented reality smart glasses device, was first exhibited at the Youbiquo booth during the Mobile World Congress 2021 in Barcelona, Spain.



clearly demonstrates the commitments of corporates to our society,” says Alex Ooi FCPA, executive officer of the Audit Oversight Board.

There are currently no specific assurance standards on ESG reporting, with or without virtual reality technology, says Ooi.

“We always encourage transparency in reporting. If you just have so-called visual augmented reporting, everything will just be ‘fluff’. There must be standards to ensure that companies report the bad as well as the good.”

Michael Davern CPA, professor of accounting and business information systems at the University of Melbourne, agrees that, while the pandemic will result in an influx of new ideas to the reporting landscape, a regulatory mandate is essential.

Davern points to the example of the reporting language, XBRL. It brings powerful search and information analysis to digital reports, but its use in Australia is limited because there is no regulation to enforce it.

He is concerned that AR and VR are solutions in search of a problem, rather than the other way around.

“I don’t see this as enhancing the dialogue between investors and management, because the scarce resource is always the time of management. As a shareholder, I can’t call the CEO of Wesfarmers and talk to him about how he’s going to manage things next year. Is this going to change that? No.”

Davern sees the most likely application of AR and VR in aspirational and narrative reporting – and most likely to put a “shiny spin” on what is coming next rather than provide substantial information.

The UK FRC agrees in its report – AR and VR work best when used to enhance understanding of intangible aspects, and for a wider audience than time or distance usually allow.

A TIME YET TO COME

While we already walk around with augmented reality devices in our pockets, the technology’s widespread adoption is still some years away. The FRC concludes that corporate reporting will fully turn towards AR and VR in five to 10 years.

“The ability for VR and AR to bridge between the physical and the digital gives it a useful role in supporting and building understanding about a company, its business model and its operations at a distance and scale,” the report says.

“VR and AR need to overcome several regulatory, cost and user challenges before they become a key mechanism for company reporting.” ■

“IF YOU JUST HAVE SO-CALLED VISUAL AUGMENTED REPORTING, EVERYTHING WILL JUST BE ‘FLUFF’. THERE MUST BE STANDARDS TO ENSURE THAT COMPANIES REPORT THE BAD AS WELL AS THE GOOD.”

ALEX OOI FCPA,
AUDIT OVERSIGHT BOARD

HOW AR AND VR WILL AFFECT AUDIT

THE MOST PROMISING CROSSOVER BETWEEN AR AND VR AND AUDIT IS THE SITE VISIT. SITE VISITS CAN TAKE UP A LOT OF TIME, ARE EXPENSIVE AND ARE DIFFICULT TO DO WHEN TRAVEL IS RESTRICTED.

Johnny Lam CPA sees a strong argument for AR and VR in stocktakes, for example. PwC Hong Kong may deploy as many as 20 staff on one project in Mainland China, and it can take a day of travel simply to get to some of the more remote factories.

“Maybe, with VR, I can send two staff with a camera to look at the whole facility and ensure that what I see in the ‘virtual reality’ is the same in the real world,” Lam says. Then, his colleagues could do the stocktake from their office rather than onsite.

It is a similar story for financial or operational due diligence. Lam has a client with a construction site in South Asia, but he can’t send staff there because of COVID-19 restrictions.

The big question is who controls the camera, says Professor Michael Davern CPA. “Is there some assurance or authenticity? Does the auditor get to ‘drive’ and say, ‘I want to look in this direction?’ Then, how do you protect staff privacy or not reveal your trade secrets?”

“We still need to work out what the processes are that wrap around these new technologies, and how you audit and manage that disclosure.”

Tyler Wise CPA, director of Wise Accounting, says before auditors jump onto AR and VR, they could look to other technologies that have the potential to improve audit.

“I look forward to blockchain, with immutable data,” Wise says. “You would know exactly what is in there, and it can’t be altered.”

“As to when AR and VR would be used in the corporate world, it feels so far away.”



CLICK HERE TO BORROW

The Routledge Handbook of Integrated Reporting from the CPA Library

AT A
GLANCE

■ Darren Smith FCPA is the founder of Financial Advice Matters and Financial Wellness Matters, which help individuals gain knowledge and confidence in managing their financial affairs.

■ Employers choose from 16 education modules, such as goal setting and retirement lifestyle planning, delivered to employees across mining, retail, airline and not-for-profit sectors.

■ Workshops are fee-for-service, and Smith soon hopes to be able to deliver financial education sessions in schools.

STORY HELEN HAWKES PHOTOGRAPHY LUKE MARSDEN

FINANCIAL WELLNESS

DARREN SMITH FCPA DELIVERS FINANCIAL WELLNESS PROGRAMS TO EMPLOYEES TO REDUCE THE COST OF STRESS.

Bolstering financial wellness for individuals and employees has helped Darren Smith FCPA build a profitable and diverse finance business and fulfil a personal mission.

“Wellness has many dimensions, including financial,” he says. “About 2.44 million Australians suffer from financial stress, costing businesses an estimated A\$31.1 billion a year in lost revenue.

“A [report](#) by the Consumer Policy Research Centre found COVID-19 has also amplified the vulnerability of consumers, because of the scale of job loss and financial concerns.

“On a personal level, I have seen the impact of mental health struggles – I lost my brother to suicide 20 years ago. Although it was not connected to finances, it was a strong driver for me to help people improve financial wellness, which has been identified as one of the larger contributors to suicides.”

INCREASING FINANCIAL LITERACY

While Smith has worked in the financial advice field for nearly a decade, six years ago his Brisbane-based firm Financial Advice Matters created a separate brand, Financial Wellness Matters. Of the firm’s 32 staff, 13 operate as financial advisers. The business has a dual focus – to deliver holistic financial advice and coaching, and to deliver financial wellness education.

“Setting up the new business structure and brand in 2015 gave us the opportunity to reposition our values to include financial education, motivation and, ultimately, wellness,” says Smith, who began his finance career in 1989 as a trainee accountant for Commercial Union in Melbourne. He has a masters degree in business from Deakin University and experience in the insurance and sales fields.

“We had a group of existing clients who joined us on our journey, and we also approached HR departments about running financial wellness programs for their staff,” he says.

“We are now growing by referral, with 1200 private clients and a list of companies and organisations Australia-wide engaging in the area of financial education, including Qantas, Glencore, The Motor Trades Association of Queensland, Wesley Mission Queensland and the New Hope Group.”

Through a multi-module, structured education program, Smith and his team provide practical tools and skills participants can use to make more informed financial decisions.

“It’s about giving people the energy and enthusiasm to take control of their finances, as well as assisting them with financial literacy,” he says. “When you actually get into a session with 20 people, you realise how poorly many people are managing their money.





ONE PIECE OF ADVICE

“Decide which areas of your business or service you want to lead in and find ways to build a team and process that continually feed your energy and passion, as that will inspire others.”

DARREN SMITH FCPA

“A corporate wellbeing program that ignores financial health will have a limited impact, as our finances impact so many other elements of our wellness.”

INCOME STREAM DIVERSIFICATION

While Smith and his team personalise programs to each company he works with, he says there are many common areas to start from.

“We find a lot of basic things appeal to many different age groups and workplaces. For example, one of the most popular sessions we have is ‘Words to use with your bank to get a better deal’. A high percentage of people take action and get an outcome.”

There are 16 modules in total, ranging from debt management to investment and estate planning.

“We also do a lot of work with National Seniors Australia, helping people understand their choices in retirement,” says Smith.

Workshops are fee-for-service, stand-alone and not used as leads to engage clients or sell them financial products. “Often people do circle back to us, but that is not the primary aim,” Smith says.

An increasingly important part of the offering is the flexibility of remote delivery and licensing supporting financial wellness content.

“During the COVID-19 lockdown, we converted all our programs to be able to be delivered digitally and used for a set period on a company’s intranet.

“When you are running a diverse business, you are continually reassessing how you can make improvements, as well as whether you have the right tools and team members.”

OPPORTUNITIES FOR OTHER FINANCE PROFESSIONALS

“We think we are in the leading pack in financial wellness education, but, also, there is a great opportunity for accounting and finance professionals to bring skills to help others, as well as diversify their income stream.

“Every session I do, I realise we can really make a difference. I am thinking, how do we scale up, how do we get our message out more broadly?

“We are currently trying to expand our reach to schools, having focused on teachers initially. I would do this every day of the week!” ■

FEATURE
// DEATH OF THE LINEAR CAREER PATH



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future-proofing
your career

AT A GLANCE

■ According to career development professionals, the concept of a linear career path has long been a myth perpetuated by an emphasis on career planning.

■ An excessive focus on mapping out a career for the long term can mean a failure to appreciate opportunities that can arise out of a career taking an unexpected turn.

■ Instead, it is important to learn how to live with uncertainty and not place too much importance on setting rigid targets.

CAREER BREAKS, REDUNDANCIES, PANDEMICS AND SIDEWAYS MOVES – CAREER PROGRESSION IS ANYTHING BUT LINEAR THESE DAYS.

CONSTANT CROSSROADS

STORY JOHANNA LEGGATT

Like many highly skilled professionals, Michelle Johns assumed she would steadily climb the corporate ladder and eventually arrive at the top job.

Johns set her sights on the role of CFO, but the further Johns advanced in her accounting career, the less she aspired to join the C-suite.

“I began to realise that I wasn’t excited by the notion of being a CFO,” she says. “So, I started to apply for roles internally to find out what else I was interested in and that allowed me to take on a new project.”

One such new project involved helping colleagues managing change, and it proved to be a lightbulb moment.

“I realised I loved helping people navigate change within an organisation, and I wanted to help people do this full time,” she says.

Johns knew that she would struggle to move from financial planning and analysis management to change management internally, so in 2014 she quit her job and set up a change management consultancy.

“I didn’t have a lot of fear, but everyone else was fearful for me, and they said how brave I was,” she recalls.

“I didn’t see it as courage. I just knew I had to do it, otherwise I would be comfortable – and yet unhappy – for the rest of my career.”

UNPLANNED CAREER DISRUPTIONS

According to Jim Bright, organisational psychologist and professor of career development at Australian Catholic University, the linear career path has long been a myth.

“The non-linearity of careers has been around forever, but no one’s ever talked about it, because there has been this obsession with career planning and where you’re going to be in five years’ time,” he says.

“But this kind of planning often fails to appreciate all of the contingencies that occur in people’s lives.”

According to Bright, who co-authored *The Chaos Theory of Careers* with Robert Pryor, careers routinely go “off track”.

“In the work we did in the early 2000s, we consistently found that 60 per cent to 80 per cent of people had experienced an unplanned event that significantly influenced their career,” he says.

As Bright points out, many employees are nevertheless shocked to discover that despite their “best endeavours and despite producing great products and being wonderful employees with great performance appraisals” there are often events – be they a global pandemic or company mergers – that disrupt their career plans.

“These events can profoundly change the way people work,” he says. “And that could happen very suddenly.”

Employees, for example, may be injured, which precludes them from working in their field, or they could be made redundant.

The unexpected event can also be positive, Bright notes. “It could be a chance meeting leading to a new career path and a new opportunity,” he says.

Instead of advancing up a career ladder, rung by rung, Bright sees the modern world of work as akin to



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a cocktail party. “If you are open to it, you can have these completely chance encounters with people, and opportunities can come from it,” he says.

LIVING WITH UNCERTAINTY

Bright believes that, in order to recognise these opportunities, employees should learn how to live with a measure of uncertainty rather than becoming too focused on goal setting and rigid targets.

“People often get stuck in jobs where they are stressed or harassed, as they do in relationships, because of a fear of uncertainty,” he says.

Rather than waiting for changes to occur, the most “career resilient people” are those who are readily and routinely testing their abilities against market demands. They are also keeping their interview skills up to scratch by attending interviews “even if they won’t necessarily take the job”.

“Sometimes, our work myths and projections are based on the idea of stability, loyalty and long-term employment, but the reality of work is that there is a lot of unpredictability,” Bright says. “The more you can support yourself, then the better off you will be.”

While Bright does believe that employer loyalty towards staff still exists, he thinks the concept of workplace loyalty can be self-defeating.

“People will come to me really broken, because they were promised an equity partnership in a business and then the owner sells because they get an offer they can’t refuse,” Bright says.

“I think a lot of employers want to do the right thing by their employees, but as events like COVID-19 show, things are not always in their control.”

SKILLS TO CULTIVATE IN THE NEW NORMAL

In addition to shifts in the employee mindset, Bright believes there are a number of steps that workers can take, starting with “war-gaming” exercises that map out routes through unexpected events.

“This preparation is kind of like the awkward conversations you have with a bank manager when you have to assess whether you can afford the loan and what you will do if interest rates rise,” he says.

Bright also adds that it is important to map out the potential for positive unexpected events, such as an international job offer.

“That way, you end up with a collection of maps for different scenarios, so if anything does happen – negative or positive – you can whip out one of these blueprints,” he says.

Secondly, Bright recommends improving transferable skills – those that are not easily automated or replaced.

“Soft skills, such as creativity, will continue to be important in the future, and you need to be aware of the new kind of cultural expectations in the workplace,” he says.

“If you’ve been an employer in the past, you might nowadays be asked, ‘How many women have you employed in senior roles?’”

Finally, Bright says “reaching out and connecting to other people” is critical.



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“People employ people they like, and they employ people who their friends have recommended, so that is why networking is so important.”

However, he advises against being too cynical about your networking efforts – don’t just aim to meet people who are more senior than you to help you climb the ladder. Instead, be generous and collegial.

“It’s obviously harder in the pandemic to meet face to face, which is where social media becomes a great place to network, especially LinkedIn groups or even Twitter,” Bright says.

THE RISE OF THOUGHTFUL CAREERS

Unsurprisingly, the greatest force for change in our work lives in recent times has been the pandemic.

According to Kala Kularajah, from Malaysian global management consulting and executive search firm Egon Zehnder, the pandemic caused some employees to “hit the reset button”.

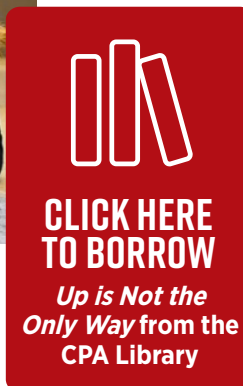
“We are now hearing this term ‘core purpose’, especially among younger people, and they want to know what their purpose is at work,” she says. “I do believe that people have become a lot more thoughtful about what they do and how they plan their career.”

Kularajah also predicts a rise in gig contractor roles among highly paid professionals who choose to move from contract to contract for greater professional freedom.

“They may take a contract for a few months, and then take a couple of months off to travel, go hiking or learn a new skill,” she says. “So, they really value their time.”



Above: Kala Kularajah,
Egon Zehnder



THINK SIDWAYS TO REACH THE TOP

Traditionally, these workers have been perceived as not knowing what they want from their careers, but Kularajah sees this changing.

“I think there will be a reverse of that belief, as companies really value these workers for what they are – people who are brave and able to take risks, as well as being committed and responsible,” she says.

Kularajah has also noticed quite a few professionals considering early retirement.

“They are not so much interested in retiring to play golf and drink coffee, but to go and do something else entirely,” she says.

“Employees are also wanting to try a completely different field or industry – they are taking huge risks, such as launching a start-up. It’s interesting times.”

Johns certainly fits the role of this new breed of highly versatile, curious and flexible worker. While she still runs her change management consultancy under her brand Larsen C, she has found that her business “naturally evolved” during the pandemic, and she now offers leadership coaching for women entrepreneurs.

Johns credits her former career as an accountant for giving her the courage as well as an edge in her new businesses. “It gave me a niche, because clients loved that I was a change management specialist with an accounting background,” she says.

“It also helped me go out on my own, because when it came to running the numbers in a business, I thought to myself, ‘I know how to do this!’.” ■

Finance professionals who want to be in demand and at the top of their game should make strategic sideways moves into marketing, sales and operations, says Malaysia-based consultant Kala Kularajah.

“Clients are no longer interested if the CFO has only grown their career in the finance track,” Kularajah says. “The most sought-after CFOs are those who have done some sideways move, either into marketing, or operations or any other part of the organisation.”

However, these moves must be made mid-career, when employees are more senior and capable of developing a unique perspective about the business.

“Employers want a business CFO rather than a finance CFO, and by that I mean somebody who has a wider perspective outside of the financial in the way they approach making business decisions,” Kularajah says.

Her personal preference is for CFOs with a marketing background. “Marketing skills have become really critical, because it’s so competitive these days,” she says. “You constantly have to understand who your customers are and what your business model is.”

The more cross-industry experience you have, the more versatile you become. “For example, if you are in FMCG [fast-moving consumer goods], then you should also start to look at other finance roles in other types of industries, such as technology, healthcare or banking,” Kularajah says.

However, it’s important that versatility and breadth of experience do not come at the cost of depth.

“You have got to try and build both, because that is what employers are really looking for these days,” she says.

Employers want someone who is able to dive deep and look at an issue at a very granular level, as well as being able to telescope out and take a more strategic view.

“People who are high performers are able to do both,” she says.



MAKING NUMBERS SING

Paul Luczak CPA



➔ OPEN VIDEO IN A NEW WINDOW

Paul Luczak CPA works with clients in the performing and recording industries, helping them manage accounting issues around touring and royalties. His client is the Australian singer, songwriter, multi-instrumentalist and producer Holly Rankin, who performs as Jack River. In 2018, her debut *Sugar Mountain* entered the ARIA Albums Chart at number 11.

AS TOLD TO **JACQUELINE BLONDELL** PHOTOGRAPHY **JARROD BARNES**

THE PRACTITIONER:
PAUL LUCZAK CPA
DIRECTOR OF MELBOURNE-BASED
FIRM THE GILD GROUP

Prior to establishing The Gild Group in 2015, I helped build up another music financial service company. From two of us in a basement, we built a team of 45 staff across Melbourne and Sydney. It was a unique experience – learning the good, bad and ugly of building and scaling a business.

When I decided to create The Gild Group, I had a blank canvas to start from scratch again. I was able to create engagement systems and processes and recruit people – all the pieces of the puzzle that make this whole machine work.

Fast-forward to 2021, and we now have 35 staff and the family is ever-growing, with like-minded talented individuals coming in to help clients.

Last year, our business management department, which does a lot of music touring-based work, obviously experienced a large downturn.

On the flip side, JobKeeper and the stimulus work kept the overall accounting business quite busy.

We've also had a number of mergers. We are now a much bigger family and pool of talent, having brought in partners specialising in other areas, such as hospitality and building construction.

I first met Holly as part of my role to meet-and-greet potential new clients who are interested in our services. Initially, we helped

Holly and her team with compliance and traditional accounting services.

Then, the relationship naturally evolved, with Holly starting to look at new opportunities and adding a touring business. Her world just continued to expand, so it was a natural evolution to continue to provide further support to that side of her world.

WHAT DO YOU VALUE ABOUT HOLLY?
Holly is an entrepreneur at heart. I really enjoy being that sounding board and chatting through opportunities – sometimes being the devil's advocate, other times being encouraging and helping to avoid the pitfalls of the start-up world.

THE CLIENT:
HOLLY RANKIN
RECORDING ARTIST
AND ENTREPRENEUR



I entered the industry as a songwriter and producer in my early 20s, very bright-eyed and driven by huge goals that I'm still trying to achieve eight years later. I think it's a very slow process, breaking into the industry. I'm now 29 and finally have a sustainable music career.

I'm lucky, but I also have tried to work as hard as possible to put the right teams together and navigate with clear eyes along the way.

When COVID-19 hit, it was so sudden to have a whole year of business stripped away, with touring vanishing.

In my core business, Jack River, we experienced downturns between 60 per cent and 97 per cent. We are still experiencing that kind of downturn in revenue profit.

I also have a promoter company, where I run a small festival. That business was also swiftly put on the shelf and remains there for the moment.

In the meantime, I've taken the time to assess other areas of interest. I'm currently investigating the impact communications space and looking specifically at how the digital tools we use in the music industry can be used in communicating climate activism.

I had started my podcast, *To Rebel in the Times*, pre-COVID-19 and then, once we had more time, we decided to accelerate it. It is a series of conversations about cultural change with notable Australian and international artists.

It has been a very tough time for many in the music businesses, especially touring businesses, but I have a lot of different things that I'm interested in, so I found it quite OK to refocus during that time.

We are living in a time where the entertainment industry changes overnight and, therefore, revenue streams change overnight. I met Paul when I was looking for a new accountant. I found him highly creative, as well as extremely good at what he does. He is constantly challenging me and mentioning different things that are happening, so we are able to react with the flow of the industry.



WHAT DO YOU VALUE ABOUT PAUL?

The more I can be honest with Paul as my accountant, the more I definitely grow as a business person. ■



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Paul Luczak CPA
and Holly Rankin



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STORY THEA O'CONNOR

HOW TO GET AHEAD AT WORK BY SAYING "NO"

SOMETIMES, THE BEST ANSWER IS "NO", AND IT NEED NOT COME AT THE COST OF YOUR WORKPLACE RELATIONSHIPS OR REPUTATION.



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AT A GLANCE

Saying "No" to extra work can be challenging in tough economic times, but doing so can have benefits for teams and organisations.

Being proactive is essential. Anticipate expanding responsibilities and set out priorities to ease the process of saying "No".

It is also important to speak from a place of empowerment, demonstrating the value of your skills and competencies.

You are already stressed and stretched to the limit. The mere thought of being asked to do just one more thing creates a sense of panic.

How do you push back to contain your workload without threatening your career or being labelled difficult, especially in tough economic times, when everyone is trying to do more with less?

This is a dilemma that Andy Johnson, Brisbane-based executive coach, often addresses with his clients. "Workload stress has always been an issue in the financial services industry, but last year it shifted to being a survival issue. People felt they had to keep taking on more work for the survival of the business, or to keep their jobs for the sake of their own survival," Johnson says.

The problem is, taking on increasing amounts of work without adequate recovery delivers ever-diminishing returns for time invested and puts workers on a sure path to burnout.

Herein lies the value in developing the art of the judicious "No".

A SKILL THAT CAN BE LEARNED

Erin Landells is organisational development manager with mine water remediation company Global Aquatica. She is the first to admit that she is "terrible at saying 'No'" and takes on too many things, which leaves her continually anxious and stressed.

Over the years, she has identified this pattern as a weakness and has developed effective strategies to

prevent overload. When asked to take on extra work when she is already at capacity, Landells' go-to response is now, "I'm currently working on X, Y and Z – which one of these do you want me to stop working on, or can wait?"

"I still don't find it easy to do, but when I have used this with my managers, it's been fine!" Landells says.

BE PROACTIVE

If you want to be on the front foot about reining in your ever-expanding list of responsibilities, flag this in a conversation with your manager ahead of time, so it does not come as a surprise, recommends Johnson.

"Lead with the positives," he says. "State how this will benefit the company and benefit you." If, for example, you want to leave work on time, benefits could include feeling more present and energised when you are at work, or being more strategic about achieving your priorities.

DEMONSTRATE YOUR PROFESSIONALISM

Joseph Donnelly, university career counsellor and lecturer, has a diverse role that is prone to scope creep, so he often has extra projects come his way. Over time, he has found a way to talk to his manager about what he can and cannot take on without compromising his reputation.

"I shared with my manager how I'm a big picture thinker, so if I get a request, I don't just think about that piece of work, but how this work relates to, and might impact, everything else," says Donnelly. He typically asks



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lots of questions about the nature of the work, and then gives himself space to reflect, saying, “Leave it with me, I’ll get back to you”.

On reporting back, Donnelly starts by stating his existing commitments. “Sometimes, the conversation ends there, because it’s clear I have too much on.” He quantifies the time and resources needed to do the extra work, how that will affect his other work, and explores options such as extending the project timeframe or being relieved of other duties.

Exploring these “grey zones” between a black and white “Yes” or “No” response has been effective for Donnelly. “I’ve never had a situation where I have been forced to take on something I thought was too much,” he says.

Donnelly’s concerns that he might be perceived as the “squeaky wheel” on the team and be overlooked for future projects proved to be unfounded. “My manager actually appreciated my clarity, analysis and strategic thinking, which helped her own decision-making in the process,” Donnelly says.

SPEAK FROM A PLACE OF EMPOWERMENT

The manner in which you express your concerns matters as much as the words themselves, says Cynthia Hickman, a Melbourne-based psychologist who sees many professionals struggling with work pressure. “Speak from a place of knowing your value and competence, rather than from a place of weakness or being a victim,” she advises.

In some work cultures, pushing back, even when done tactfully, may not be well received. If you suspect that is true for your work situation, Johnson advises taking time to clarify whether you are willing to take the risk.

“Reflect on the reason why you want to say ‘No’ – such as to protect your health, relationships, quality of work or simply to stand up for yourself – and ask if this intrinsic motivation is strong enough to potentially jeopardise your work.”

Hickman and Johnson agree that even when their clients don’t get what they want, many feel much better for having spoken up. ■



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ASKING FOR A PAY RISE IN A RECESSION OR AN ECONOMY STRUGGLING WITH RECOVERY MAY SEEM UNREALISTIC, EVEN UNREASONABLE, BUT NOT IMPOSSIBLE. HERE'S WHAT YOU NEED TO KNOW ABOUT NEGOTIATING A PAY RISE - AND WHY PAY RISES COULD BE GOOD FOR THE ECONOMY.

STORY **NICOLA HEATH**

RAISING EXPECTATIONS

The nation's leading economists want you to get a pay rise, as does ABC business editor [Ian Verrender](#), who calls asking for a pay rise part of our patriotic duty to save the economy.

However, increasing remuneration for workers appears to be firmly off the agenda for many organisations, spooked by economic uncertainty created by the pandemic shutdowns.

According to the Royal Bank of Australia's (RBA) [Statement on Monetary Policy](#) released in February 2021, "many employers have responded to the economic challenges of the pandemic by delaying wage increases, imposing wage freezes and, in some cases, applying temporary wage cuts. Forward indicators suggest wages growth will remain soft this year."

While wage growth in Australia is currently at a record low of 1.4 per cent, this hasn't always been the case. As economist Jim Stanford explains in [The Wages Crisis in Australia](#), "in the decade before the GFC

[global financial crisis], labour incomes in Australia grew steadily and strongly, at annual rates of 4 to 5 per cent or even higher”.

The current deceleration in wages dates from 2013, when the Wage Price Index fell below 2 per cent, where it has stayed ever since. During Dr Philip Lowe’s five-year tenure as RBA governor, he has repeatedly called on employers to increase wages to help keep up with inflation, which ideally tracks between 2 per cent and 3 per cent each year. In 2018, Lowe gave 3.5 per cent as a healthy rate of growth for wages, far above the current rate of 1.4 per cent.

ECONOMISTS’ CASE FOR WAGE RISES

Slow wage growth reduces household gross disposable income, which impedes consumer demand and results in lower government revenue. With interest rates at a record low, the RBA is relying on wage growth to boost inflation and kick-start economic growth.

Wage stagnation “is a real problem”, says Dr Mark Dean, Laurie Carmichael Distinguished Research Fellow at the Australia Institute’s Centre for Future Work. “If businesses aren’t investing in new staff or other capital investments due to uncertain economic conditions, along with no wage growth, this can have a real effect on aggregate demand. There’s a total lack of spending.”

Wage growth can also benefit employers. Unemployment figures released in June 2021 showed a 4.9 per cent decrease in unemployment, and the participation rate remained at 66.2 per cent. With skilled migration reduced due to the closure of Australia’s international border, there is a strong chance we are entering a new war for talent.

Dean says that, “as demand increases for accountants and finance professionals”, organisations that are willing to award pay rises to valued employees are more likely to secure – and retain – highly skilled and experienced staff ahead of competitors.

HOW TO NEGOTIATE A PAY RISE

Securing a pay rise is, of course, easier said than done. If you are ready to do your “patriotic duty” and negotiate with your employer, career counsellor Lois Keay-Smith, founder of Career Wisdom, offers these tips to help improve your chances of success.

DO YOUR RESEARCH

Articulating a solid case for a pay rise requires preparation. “It is about doing your homework,

looking at what you’ve brought to the table and reflecting on it,” says Keay-Smith.

Quiz trusted colleagues in an “informal 360” on their views of your strengths and achievements. “Talk to others about what they’ve noticed,” says Keay-Smith.

“If you’re sitting at your desk doing great work, but no one knows about it, it’s difficult to have a meeting with your boss to ask for more money.”

CONSIDER YOUR PLACE IN THE MARKET

Research the current state of play in your organisation and your industry more broadly. “Do your homework on current rates of remuneration for your role, and be aware of how you’re valued in the marketplace,” says Keay-Smith. “Salary surveys help.”

Dean adds that “employees are in a good position to negotiate for pay rises when there are skills shortages”.

Accountants are currently in short supply in South Australia, for example, thanks to the migration of services to larger cities in the eastern states. In 2019, just 57 per cent of accountancy vacancies in South Australia were filled, placing qualified accountants in a strong position to negotiate for higher remuneration.

STATE YOUR CASE

You should present a three-pronged argument for your pay rise. First, articulate the value you bring to the organisation in your current role and provide concrete examples of your success.

Second, outline the opportunity cost – ask, “If I wasn’t there, what would be the outcome?”. However, Keay-Smith cautions that “it’s important not to overplay this one, because no one is irreplaceable”.

Finally, speak to your values as a person – your strengths, attributes and commitment to your role – and your future contribution. “In these times, leaders are looking for people who can step up and bring new ideas and more value into the future,” Keay-Smith says.

TRY AND TRY AGAIN

If your request for a pay rise is refused, don’t give up.

Seek an agreement to review your request in three or six months, suggests Keay-Smith. Find out “what needs to change between now and then, and what you can work on during that time to put yourself in a better position”. ■

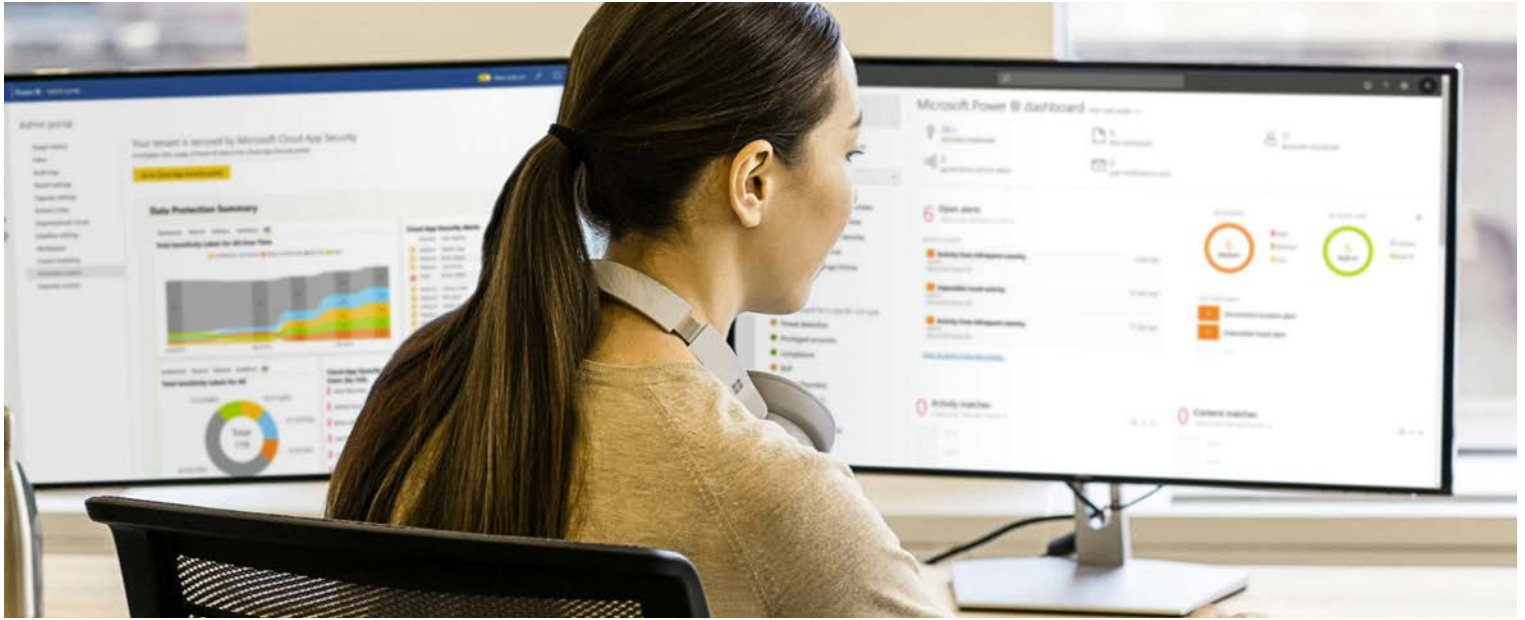


“Do your homework on current rates of remuneration for your role, and be aware of how you’re valued in the marketplace.”

LOIS KEAY-SMITH, CAREER WISDOM



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Above: With Power BI's customisable dashboard, you can have instant access to the data you need.

BEYOND SPREADSHEETS

EXCEL SPREADSHEETS ARE THE DEFAULT PLATFORM FOR MANY ACCOUNTANTS AND FINANCE PROFESSIONALS BUT, IN SOME CASES, THERE COULD BE A BETTER TOOL FOR THE JOB.

STORY **GLENN REES**

Excel is still the go-to application for many accountants when it comes to crunching numbers, financial analysis and compiling data. There is a good reason for that – with its large selection of formulas, formatting options and advanced features, it can be used for everything from a team holiday calendar to financial modelling.

However, despite its usefulness and ubiquitousness, Excel has limitations, particularly when it comes to collaboration and securing sensitive data. Here are some alternatives, for those times when Excel simply isn't the most appropriate tool for the job at hand.

ACCOUNTING SOFTWARE

Extracting data from an accounting system into Excel for analysis can be time-consuming and result in errors. It is always worth checking whether recent upgrades to

your preferred accounting system have improved reporting and analytics options, and to start using them if they have.

Alternatively, some accounting systems – like [Xero](#), for example – can also be extended with third-party reporting and analytics apps.

For larger or fast-growing businesses, migrating to an enterprise resource planning (ERP) system like [MYOB Advanced](#) could be an option to gain more comprehensive and integrated reporting across the business.

ANALYTICS TOOLS

If you are finding that maintaining and analysing business data in spreadsheets is becoming too time-consuming, it could be time to consider a data analytics platform.

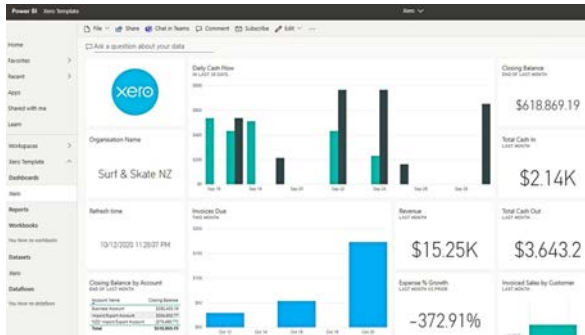
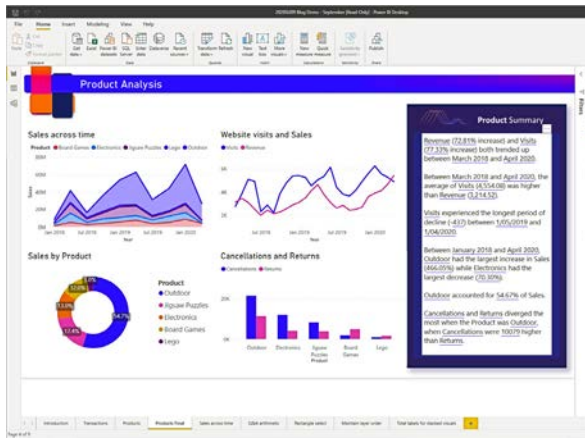
There are plenty of options, such as [Microsoft Power BI](#), that will work with your current Excel workbooks, but makes it easier

to view and potentially manage all your data. Power BI allows users to pull multiple workbooks into a single view, highlighting key data and charts. It offers a variety of options to visualise that data and use advanced analytics and forecasting. It is also better suited to data sharing than Excel, allowing users to set up different dashboards containing the data and visualisations that each person needs.

Power BI also connects with many other data sources, including accounting systems such as Xero. It even works in reverse with Excel, using a tool called [Analyze in Excel](#).

Because it is part of the Microsoft “ecosystem”, Power BI data can also be secured with tools such as [Microsoft Cloud App Security](#).

Other options available include [Qlik](#) and [Tableau](#).



Top: With Power BI, you can quickly view forecasts and gain other insights.

Bottom: Power BI can visualise data from accounting systems such as Xero and many other sources.

DATABASE SYSTEMS

If you have Microsoft 365, you may already have [Microsoft Access](#) installed on your computer. This powerful database system could provide an alternative to Excel in a number of situations.

While LOOKUP functions can help connect data in sheets, Excel is essentially two-dimensional: rows and columns. Access, on the other hand, is truly three-dimensional. It is a relational database system – tables can relate to each other, which can eliminate data duplication and reduce the potential for data entry errors.

You can use Access to create your own applications, such as asset tracking or event management. Excel is still better for calculations and detailed analysis, but you can get the best of both worlds by importing an Excel spreadsheet into Access, organising your data, then connecting to the Access data from Excel for crunching numbers.

You could even use all three Microsoft tools together: Access for your database

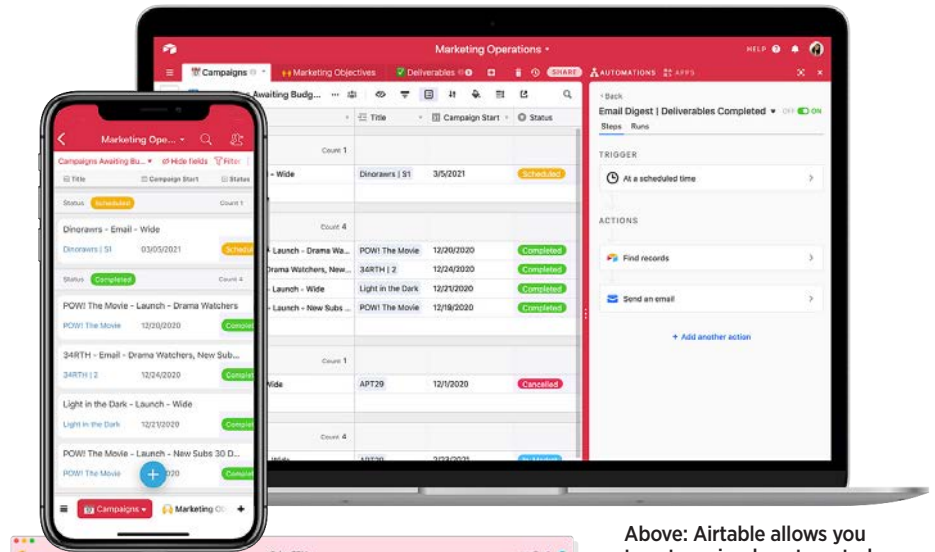
application, importing that database into Power BI for data visualisations, and then pulling data from either app into Excel.

CLOUD PLATFORMS

Microsoft is certainly not the only game in town. Thankfully, there are plenty of modern cloud database systems that overcome Access's limited data view options and sharing functionality. Of these, [Airtable's](#) spreadsheet-like interface makes it an appealing option for Excel users.

Airtable allows you to import Excel files and other file formats and view data in various ways: as a spreadsheet, calendar, gallery, Kanban board or Gantt chart. It also allows you to easily link tables, automate some processes and create user-friendly applications for your team. There is a huge range of application templates available, from expense tracking to project management.

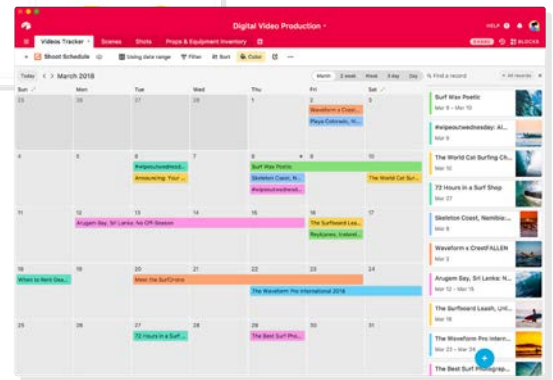
[Smartsheet](#) takes a similar approach to Airtable, while [Microsoft Lists](#), which is part of Microsoft 365, could be ideal if you just need to share relatively simple lists. ■



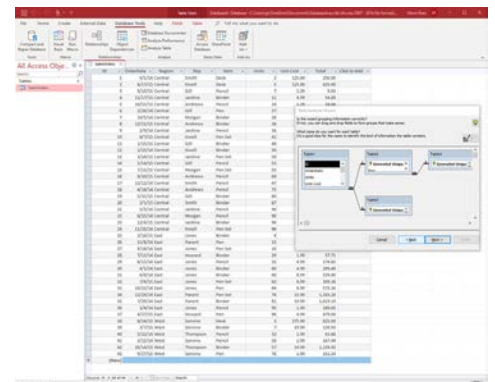
Above: Airtable allows you to set up simple automated processes.



Left: Although Airtable may not be the most powerful option as a data visualisation tool, it's still able to create clean, user-friendly graphics.



Above: You can access Airtable data as a calendar, Kanban board and other views, depending on the purpose.



Above: Access's Table Analyzer can import a spreadsheet and automatically create a relational database.

STORY NEALE BLACKWOOD CPA

IMPORTING EXCEL FILES USING POWER QUERY

IMPORTING MULTIPLE EXCEL FILES IS A STRAIGHTFORWARD PROCESS THAT CAN BE AUTOMATED, PROVIDED THE FILE STRUCTURES AND NAMING CONVENTIONS ARE CONSISTENT.

I have three Excel state report files in a folder. There are other files in the folder as well. I want to import all three report files and convert the report layout into a data layout. I can then use the data layout with pivot tables to report on the combined data.

The top section of the report layout can be seen in **Figure 01**. The goal is to create a data layout as shown in **Figure 02**.

This is something that used to be achieved with custom written macros. With Power Query, this process can be automated via the user interface with one straightforward formula.

This is a scalable technique. If we add another state report file to the folder,

it will automatically be imported the next time the data is refreshed.

The other files in the folder will need to be ignored. A naming convention allows you to filter out unnecessary files. If other files have similar names, you may need to rename them or remove them from the folder.

VERSIONS

I will be using the subscription version of Excel for this example. Older versions may have slightly different button labels. Power Query is constantly being updated, so changes are inevitable. Power Query is on the left-hand side of the Data ribbon. It has its own ribbon in earlier Excel versions.

PROCEDURES

1. In the Data ribbon, click the Get Data drop-down and choose From File, then choose From Folder.
2. Navigate to the XL_Data folder. Select the folder and click Open. All files, in any subfolders, will also be imported.
3. An interim window opens showing all files in the folders and subfolders. Click the Combine drop-down and choose Combine and Transform Data.
4. Another interim window opens. This lists the sheets in the file. It defaults to using the first file to base this list on. Click the Sample File drop-down and select one of the

Neale Blackwood CPA runs A4 Accounting, providing Excel training, webinars and consulting services. Questions can be sent to a4@iinet.net.au

files with a name that starts with Report_. Click the Report sheet underneath, under Parameters. The sheet structure will appear on the right of dialog. Click OK.

5. The Power Query Editor window opens. In the table that displays, use the filter icon on the first column to select Text Filter, then Begins With. Type in Report_ and click OK. This will exclude unwanted files. I have used the underscore character in the file naming convention. Use a Text filter and Ends With, and enter .xlsx. This ensures only Excel files will be included.
6. The Power Query steps so far are listed on the right of the screen. These steps are repeated each time the data is refreshed.
Note: When working in the Power Query window, there is no Undo or Redo icon. You can undo steps by deleting them using the red cross on the left of the step, but there is no dedicated Undo option.
7. Right-click the first column header and choose Replace Values. In the top box, enter .xlsx and leave the bottom box empty. Click OK. This removes the Excel file extension from the file name.
8. Right-click the first column header and choose Split Column, then choose By Delimiter. In the top drop-down, make sure --Custom-- is selected and the underscore character is shown below it. Click OK. This splits the Source.Name column across three columns – see **Figure 03**. A delimiter is a character (or characters) that separates parts of a text entry or code. In our case, the underscore character separates parts of the file name that we can use as column entries.
9. Right-click the first column and remove it.
10. Double the column headers to rename the first five columns in the following sequence across the table: Date, State, Detail, Actuals and Budget. The columns on the right that weren't renamed can be deleted.
11. On the Home ribbon, click the Remove Row drop-down and choose Remove Top Rows. Enter 5 in the dialog that opens and click OK.
12. Use the filter icon on the Detail column and untick the null option at the top of the list. In Power Query (null means a blank, or no entry). **Note:** Whenever you refer to null, it is always entered in lowercase. Power Query is case sensitive, so be careful when

01

| | A | B | C | D |
|----|--|--------------|--------|-----|
| 1 | State Report for Revenue and Expenses for ABCD Ltd | | | |
| 2 | For the Period 1 July 21 to 31 August 21 | | | |
| 3 | | | | |
| 4 | STATE | Current Year | | |
| 5 | NSW | Month 000's | | |
| 6 | | Actuals | Budget | Var |
| 7 | Revenue | | | |
| 8 | Gadgets | 1235 | 1260 | -25 |
| 9 | Widgets | 1390 | 1460 | -70 |
| 10 | Total Product Sales | 2625 | 2720 | -95 |
| 11 | | | | |
| 12 | Cost of Sale | | | |
| 13 | Gadgets | 840 | 900 | 60 |
| 14 | Widgets | 959 | 990 | 31 |
| 15 | Total Product Cost of Sales | 1799 | 1890 | 91 |
| 16 | | | | |
| 17 | Total Product Gross Margin | 826 | 830 | -4 |

02

| | A | B | C | D | E | F |
|---|-----------|-------|--------------|---------|---------|-------|
| 1 | Date | State | Category | Detail | Type | Value |
| 2 | 1/08/2021 | NSW | Revenue | Gadgets | Actuals | 1235 |
| 3 | 1/08/2021 | NSW | Revenue | Gadgets | Budget | 1260 |
| 4 | 1/08/2021 | NSW | Revenue | Widgets | Actuals | 1390 |
| 5 | 1/08/2021 | NSW | Revenue | Widgets | Budget | 1460 |
| 6 | 1/08/2021 | NSW | Cost of Sale | Gadgets | Actuals | 840 |
| 7 | 1/08/2021 | NSW | Cost of Sale | Gadgets | Budget | 900 |
| 8 | 1/08/2021 | NSW | Cost of Sale | Widgets | Actuals | 959 |
| 9 | 1/08/2021 | NSW | Cost of Sale | Widgets | Budget | 990 |

03

| | A ^B C Source.Name.1 | A ^B C Source.Name.2 | A ^B C Source.Name.3 |
|---|--------------------------------|--------------------------------|--------------------------------|
| 1 | Report | Aug2021 | NSW |
| 2 | Report | Aug2021 | NSW |
| 3 | Report | Aug2021 | NSW |
| 4 | Report | Aug2021 | NSW |

04

Filter Rows

Apply one or more filter conditions to the rows in this table.

Basic Advanced

Keep rows where 'Detail'

does not begin with

And Or

does not begin with

typing entries. The null option is always listed at the top of the filter list. By filtering the table, you are reducing the number of rows that will be loaded, which can speed up refresh times.

- We now need to work on the report structure to capture the categories as a separate column.

There are descriptive headings above the value lines. We need to capture them in a separate column.

- In the Add Column ribbon tab, click the Custom Column option. Change the name to Category. In the formula box, enter the following formula. Note that the = sign is always in the Formula box.



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if [Actuals] = null and [Budget] = null then [Detail] else null

You can double-click the column names on the right of the dialog to enter the names surrounded by square brackets. This is case sensitive, so be careful. If you have an error, check both the spelling and the case.

- Right-click the Category column and choose Fill, then choose Down. This captures the categories on the correct rows.
- Filter the Actuals column and remove the null entries.
- There are headings in the Actuals column. To remove them, click the ABC123 icon on the left of the column header and choose Whole Number. This generates errors for all text entries.
- Right-click the Actuals column and choose Remove Errors.
- There are total rows in the data. We could leave them there, but it will be cleaner if we remove them. Filter the Detail column and use Text filters. Use two Does Not Begin With criteria options, separated by the And option. The first is Net and the second is Total. Click OK – see **Figure 04**.
- We are now ready to convert the report into a data layout.
- Move the Category column to the left of the Detail column by dragging its header across.
- Select the first four columns by holding the Ctrl key down and clicking each column. Then right-click one of the selected column headings and choose Unpivot other columns.
- Change the Attribute column name to Type. Change the Value column data type to Whole Number.
- Click the Home ribbon and the Close and Load option on the left to import the data from all three files.

The filter rules you use are important, and need to be robust. They may require some trial and error to perfect.

I used the null option a couple of times to remove rows. If the report had used an empty (null) cell for a zero value (for example, there were no stock adjustments for the month), then using null would not have worked correctly.

You should also check your Power Query output against the original data to make sure nothing has been missed. ■

STORY **KATIE LANGMORE**

AGAINST THE ODDS

A PERSONAL UPHEAVAL LED TO BAKOUS MAKARI CPA TAKING ON AND OVERCOMING A SERIES OF CHALLENGES. HE NOW DEVOTES HIS TIME TO FUNDRAISING FOR CANCER RESEARCH WHILE REACHING OUT TO THOSE WITH A DISABILITY.

Different motivations compel people to volunteer their time with charity organisations. For many, it is the desire to give back to their community. For others, the calling is more personal.

When public practitioner Bakous Makari CPA visited a doctor with leg pain 11 years ago, he did not expect to be told that he had a rare form of bone cancer and may only have a few months to live.

Makari made the tough decision to remove the cancer and have a full leg amputation, in the hope this would save his life.

"If you're lucky enough to catch this cancer early, you can amputate. It was the only way to eradicate the cancer," says Makari. "Even so, there was only a 30 per cent chance of survival after amputation."

Makari lost his leg from the hip down, leaving him with a heavy, cumbersome prosthetic to carry that requires both his physical and mental strength.

"Anyone who has had an amputation is never the same. I was living in fear for a while – not knowing if I would survive the cancer. If I did, I was told by my doctor that I would be confined to a wheelchair for the rest of my life."

However, Makari says he never gave up hope and was determined to live fully. "I didn't allow adversity to completely change my life."

In the months that followed his amputation, Makari learned to walk with his prosthetic and returned to his accountancy practice, Makari and Co.

By 2012, he was feeling driven to find a platform through which he could give back to the community and help others overcome adversity. Makari successfully stood for council elections with the City of Parramatta and, by 2015, he was deputy lord mayor.

Makari cites both his experience with adversity and his years of experience in accounting as useful tools for his work with his local council. "If you're elected into a role like



The Children's Medical Research Institute (CMRI) is a Sydney-based independent organisation. The CMRI's more than 170 scientists are committed to finding treatments and cures for serious conditions affecting children. cmrijeansforgenes.org.au

that, you should have some form of skill that can support the organisation and the community that you serve."

During his tenure as deputy lord mayor, Makari visited the Children's Hospital at Westmead's oncology department to share his story of hope with the young cancer patients and their families, and to meet with medical researchers.

Inspired by their work and eager to help, Makari homed in on a fitness challenge at his local gym. "I immediately saw it as a way I could help encourage those with a disability," he recalls.

Makari set up a fundraising profile with the Children's Medical Research Institute – enabling supporters to directly fund children's cancer research – and was soon undertaking six weeks of gruelling physical challenges alongside 40 able-bodied participants.

Remarkably, his post-operative years of strengthening both mind and body paid off, and Makari won the challenge.

"There was a lot of goodwill from the community. I raised close to A\$60,000," he says, adding proudly that every thousand dollars raised supports the Institute for two more days of research. "Those two days could be the difference between saving a child's life and them dying."

Makari still goes to the gym regularly, finding it crucial for both his physical and mental wellbeing. "Going through something as severe as the amputation can be a very lonely experience, so I find it's really crucial to stay healthy and fit. It helps alleviate the daily stresses of life."

He remains passionate about finding ways to reach out to people with a disability or those facing adversity, and to inspire hope and courage. "Through motivational speaking or any other way that I can help, I'm there." ■



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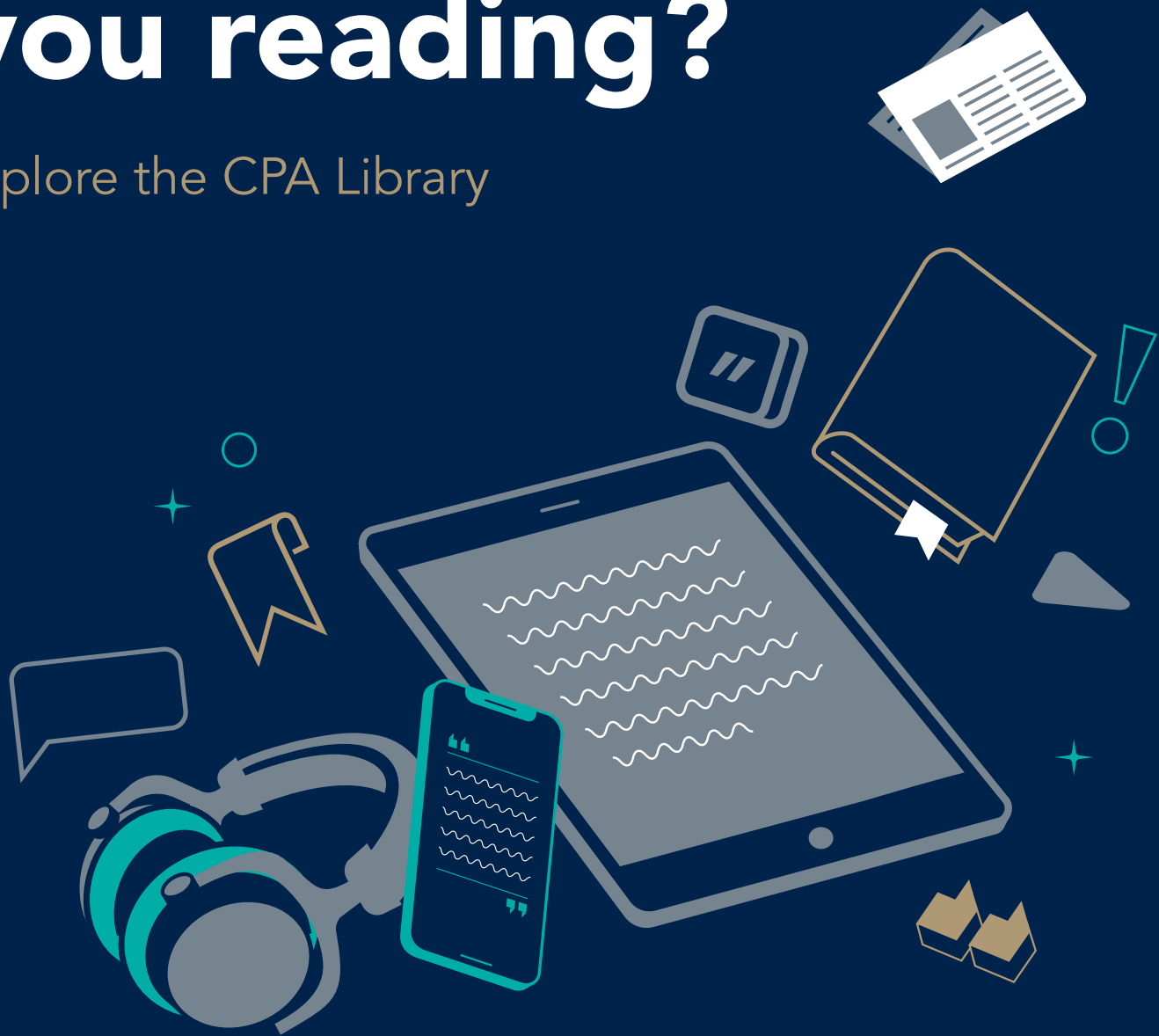
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