

Chartered Accountants

Business **in focus**

Monthly audio program > presented by Michael Schildberger

January 08



The extras



Chartered
Accountants

NUMBER ONE IN NUMBERS



So often we're reminded we should spend more time on our business rather than in it. But we're always too busy! During a holiday period however we can afford to think ahead and plan the coming year. To help you we have included some interviews this month to provide some inspiration.

For example Tim Pethick of ?What If! advises us to think differently and tells us how. He says we can't expect everything to continue along the same lines, however successful we might have been over the years, because all is continually changing around us.

Much confusion abounds over Australia's IR laws under the new Labor Government and David Miller of the Australian Industry Group tells us what to expect in this area of business and employment change.

Significant changes also are with us in superannuation laws. Merv Lobb of SuperAnswers is an expert on superannuation and he brings us up to date on the most recent developments.

How do you define asset protection? Lawyer Chris Tsovolos of Bartier Perry has incisive thoughts across a broad range of business and personal aspects of how best to protect assets in often complex circumstances.

And as we look ahead this is the month when Professor Neville Norman gives us his economic forecast for the year. The outlook seems good again but there are some warning signs.

Take note of a range of advice you'll hear this month and look for the printed summaries in this Extras booklet.

All of us at Business Essentials wish you a successful and enjoyable 2008.

Michael Schildberger
Managing Director

website
www.be.com.au
Chief Editor
John Hounslow
Production Manager
Heather Dawson
Studio Manager
Peter Letts
Advertising/Sponsorship
Nick Schildberger
nschildberger@be.com.au
Managing Director
Michael Schildberger
Publisher
Business Essentials Pty Ltd
ABN 98 006 144 449
405 Riversdale Road,
Hawthorn East VIC 3123
Phone (03) 9882 8333
Fax (03) 9882 8017

Track 1

IR UNDER LABOR GOVERNMENT

David Miller, Australian Industry Group

- > WorkChoices, the shift from individual State jurisdictions to a single Federal jurisdiction will remain under Labor's proposals
- > The Transition Bill to be presented early this year will provide for the demise of future AWAs
- > Any agreements properly lodged will be allowed to continue for their nominal term
- > There will be an interim arrangement for those employers who already have AWAs pending the full implementation of Labor's policies in January 2010
- > Enterprises which have a unionised workforce are likely to see significant change given the concepts of "good faith" bargaining and "last resort" arbitration
- > Workplaces which are not unionised will see very little difference, apart from the inability to go to individual workplace agreements
- > Labor will make significant changes to the unfair dismissal process

Track 2

SUPERANNUATION UPDATE

Merv Lobb, SuperAnswers

- > The optimum time to start a SMSF ideally is when you are seeking to take a more hands on approach to your retirement planning
- > Virtually any investment is possible except the purchase of a residence from a member
- > The law now provides the opportunity to borrow to acquire an interest in an asset held on trust. The trust must enable an instalment type process for the acquisition of the asset
- > The National Audit Office has told the ATO that it (ATO) has more work to do to ensure SMSF compliance (as quoted in Australian Financial Review 15/11/2007)
- > The ATO has a strong audit program now and this will only increase

This month's **essentials**

Track 3

ECONOMIC FORECAST 2008

Professor Neville Norman, Melbourne University

- > Growth 3.4% (slowing from latest 4.4% and 10-year average of 3.2%) 1.8% (bad US prime continuation and slower China) - to 4.5% range
- > CPI Inflation up to 3.2%. (2.9%. 2.7% ave.) 2.5% - 5.1% range.
- > Unit labour costs up to 4.1% (3.6%, 2.1% ave.) 3% - 6.5% band
- > RBA Interest Rates up to 7% (6.5%, 5.4% ave.) 5.75 - 8.5% band
- > US Exchange Rate down to 85c (88c, 64c ave.) 70c - 110c band
- > "Tax cuts in May '08" certain with Budget surplus surging to \$20b.

Why is another rate rise now seen as a near-certainty?

- > Activity growth measured by GDP is stronger than expected
- > Cost pressures plus demand pushed CPI growth over the 3% mark
- > Budget restraint more directly cools the economy. Not likely in 2008
- > Conclusion: 2008 will be recorded as another "good year" for business. But it carries warning signs from cost and price pressures
- > Business message: Increase risk protections.

Track 4

THINK DIFFERENTLY!

Tim Pethick, ?What If!

- > Entrepreneurs spot the opportunity to do something differently that impacts positively on the customer
- > Nudie's success was because everything in the chain was strong - from the company name and brand, to its emotional engagement, stand-out design and the company's approach to customers
- > ?What If! helps companies innovate - through training plus an inventing team to help create new products, business models and paths to market
- > We start with the notion that we need to build solutions around genuine customer sentiment
- > Many businesses are not in touch with their customers - and market research doesn't always provide the answers
- > Put yourself in your customers' shoes to find out how accessible you are

Track 5

BUILDING A NATIONAL BRAND

Janine Allis, Boost Juice

- > There's no single reason why Australian companies don't achieve our success, but too many grow too quickly, and take too many risks
- > Luck and timing are important but not enough companies have the passion and belief to succeed
- > We have many franchises but we still have 30 company stores which provide the example for franchisees
- > In any business, you must listen to your customers
- > We constantly want to improve ourselves - for example, creating new product

Track 6

ASSET PROTECTION

Chris Tsovolos, Bartier Perry Lawyers

- > Common examples of different type of risks and asset protection are:
 - > Business - protecting personal assets - can stem from guarantees, negligence or statute (TPA, Corps Act, ITAA, OHS etc)
 - > Business - protecting other assets - example trading structures and asset holding structures
 - > Business - protecting for other ventures - structuring of ownership and cash flows
 - > Personal - Family Law/de facto rules
 - > Estate issues - compare protection of estate to protection of legacy
 - > Estate issues - parents providing early inheritance to children and structuring to protect from Family Law issues

Track 7

POOR MANAGERS WILL RUIN A BUSINESS

Quentin Jones, Human Synergistics

- > The defining characteristic of great management is achievement
- > Australian managers aren't measuring up - they shift blame, focus on what's wrong not right, are controlling and authoritarian, protective of their own status and constantly seek approval
- > X and Y generations want integrity. Managers need to walk the talk
- > Great managers are preoccupied with standards of excellence
- > They have self-set goals and require empowerment
- > High achievers believe in cause and effect. They don't leave success to chance or good luck

Track 8

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

- > Expect a strong 2008 - all the economic ducks are lined up!
- > The major global indices have struggled in 2007 - the Australian All Ords is the exception and has outshined them all
- > Golden Rule No 2: management assessment - the ability to grow profitability from an asset base. Stock Doctor looks for an 8% return p.a.
- > For banks and insurance companies, we seek a 14% return on equity and 12% earnings per share growth
- > All the banks previously listed as Star Stocks are now out
- > Also dropped, Orica and Zinifex
- > Star stock highlights: BHP, Bradken, Fleetwood, JB Hi-Fi, Leighton Holdings and Seek. Our favoured insurance company: QBE
- > The Lincoln managed fund is again No 1 - out of 460+ large cap managers

Track 9

FAMILY ATTITUDE

Lance Deacon, Dyson Group

- > Good healthy debate improves the decision-making process
- > Understanding our key roles has been a big factor in our success
- > The two external members of the board have been very important in helping us through tough times and good times
- > People become "dysonised": the family culture has spread and we now have other families working in the company
- > Friday night drinks are part of the culture and a good time to celebrate milestones
- > Through FBA we've set up cadetships to help bring the 4th generation on board

Track 10

WHY WE ALL NEED SYSTEMS, COURTESY AND FAILURE!

Kirsty Dunphey, author, "Retired at 27. If I can do it anyone can"

- > We all need to fail. It means we're trying new things and it's a great way to learn
- > We all need systems. Don't let integral parts of the business remain in staff's heads
- > Systems also help disentangle the identity of the owners from the business - which makes the business easier to sell when the time's right
- > Timing the sale of a business needn't depend on getting maximum value. It's when the time is right for the owners
- > Punctuality is just one of many important courtesies, like sending thank you cards and showing respect

For more information about the topics discussed on this January 2008 program, please contact the relevant organisations listed below.

IR UNDER LABOR GOVERNMENT

The Institute of Chartered Accountants in Australia

1300 137 322

www.charteredaccountants.com.au/training

SUPERANNUATION UPDATE

The Institute of Chartered Accountants in Australia

1300 137 322

www.charteredaccountants.com.au/training

ECONOMIC UPDATE

Prof Neville Norman,
Melbourne University

Email: n.norman@unimelb.edu.au

THINK DIFFERENTLY!

Tim Pethick, ?What If!

Tel: 02 9577 0100

Website: www.whatifinnovation.com

BUILDING A NATIONAL BRAND

Janine Allis, Boost Juice

Website: www.boostjuice.com

ASSET PROTECTION

The Institute of Chartered Accountants in Australia

1300 137 322

www.charteredaccountants.com.au/training

POOR MANAGERS WILL RUIN A BUSINESS

Quentin Jones, Human Synergistics

Tel: 02 9271 5900

Website: www.human-synergistics.com.au

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor
www.lincolndicators.com.au

Please contact Lincoln direct for details about its Stock Doctor fundamental analysis software or Managed Fund services.

Tel: 1300 676 332 or 03 9854 9444.

FAMILY ATTITUDE

Lance Deacon, Dyson Group

Tel: 03 9463 3999

ideacon@dysongroup.com.au
www.dysongroup.com.au

THE NEED FOR SYSTEMS, COURTESY - AND FAILURE!

Kirsty Dunphey, author, "Retired at 27. If I can do it anyone can"

kirsty@kirstydunphey.com

Website: www.kirstydunphey.com



Business Essentials[®]
Media Production



Chartered Accountants

NUMBER ONE IN NUMBERS

Subscription Form

I would like to subscribe to Chartered Accountants Business in Focus and/or Tax in Focus:

Family name: _____ First Name: _____

Company: _____

Address: _____

City: _____ Country: _____ Postcode: _____

Telephone: _____ Fax: _____

Email: _____ Member No: _____

Age Group *(please tick one)*: 18-25 26-35 36-45 46-55 56-65 >65

Type of Business: _____ Number of Employees: _____

Subscription Pricing (GST Inclusive)

Product	Australian Rates		Overseas Rates	
	Members	Standard	Members	Standard
<input type="checkbox"/> Business In Focus – CD	\$385	\$485	\$385	\$485
<input type="checkbox"/> Tax In Focus – CD	\$385	\$485	\$385	\$485
<input type="checkbox"/> Combined (Business in Focus + Tax in Focus) – CD	\$695	\$875	\$695	\$875
<input type="checkbox"/> Business in Focus - Online	\$250	\$300	\$230	\$280
<input type="checkbox"/> Tax in Focus – Online	\$250	\$300	\$230	\$280
<input type="checkbox"/> Combined (Business in Focus + Tax in Focus) – Online	\$450	\$540	\$420	\$500

Payment Options

Please find enclosed cheque made payable to Business Essentials Pty Ltd for \$_____

OR debit my: Amex Mastercard Visa

Cardholder's name _____

Card number _____

Expiry date _____

Signature _____

Please send your order details to:

Free Fax: **1800 656 351**

Free Call: **1800 039 098**

Free Post: *send this form, (accompanied by a cheque to)*

Business Essentials Pty Ltd,
Reply Paid 579, Hawthorn East,
VIC 3123, Australia
Tel: +61 3 9882 8333
Fax: +61 3 9882 8017

Please Note: Upon payment this notice becomes a **TAX INVOICE**. Please retain a copy for your records.

Business Essentials Pty Ltd ABN 98 006 144 449
405 Riversdale Rd Hawthorn East Vic 3123 Australia

Privacy Notification - The Institute of Chartered Accountants in Australia respects the privacy of individuals and acknowledges that the information you provide on this form is protected by the Privacy Amendment (Private Sector Act) 2000. The information collected by the Institute is used for the purpose of processing your registration and providing you information (via email and/or mail) on upcoming events, specific products and services provided by or associated with the Institute. To access a full copy of our policy visit charteredaccountants.com.au/privacypolicy



Training and Development – at your fingertips

Keep abreast of the latest development in business and tax in your car, at your desk, or even on the bus!

Your annual subscription will consist of monthly audio updates either on hot topics in business or the latest tax news.

You can choose to have your subscription delivered each month on CD or online. The online version has an optional MP3 download capability enabling you to keep up-to-date via your iPod®, compatible mobile phone, PDA or any other MP3 device.



**Chartered
Accountants**

NUMBER ONE IN NUMBERS

Invest like Australia's best.

Lincoln's Stock Doctor® empowers Australian investors to select the best stocks, just like Australia's No.1 fund manager.

Stock Doctor® Australia's premier sharemarket investment software solution was one of the key drivers behind Lincoln's Australian Share Fund listing **No. 1** out of more than 466 Large Cap Growth funds¹. With a **49.37%** return for the year to 31 October 2007², you too can invest like Australia's best!

By using Stock Doctor® to manage your portfolio, you can achieve long-term sharemarket success by:

- analysis of all ASX listed companies to help you identify quality shares
- 90 minute coaching workshop
- 30 day money back guarantee
- tax deductible³
- free software upgrades
- unlimited and unrivalled client support
- monthly newsletter.



¹To view the Morningstar list please visit the Morningstar website (www.Morningstar.com.au), follow the Fund QuickRank link, search for All Fund Managers in the Australian Large Growth Category, then rank the funds by Performance - Total Return over the 1 year period (click on "1 Yr" to rank Funds in descending order).

²Underlying investment portfolio for the Lincoln Wholesale and Retail Australian Share Funds. Investments can go up and down. Past performance is not a reliable indicator of future performance.

³Please consult your tax adviser regarding the extent to which Stock Doctor® is tax deductible given your circumstances.

Can you afford another year without Stock Doctor®?

Call **1300 676 332**

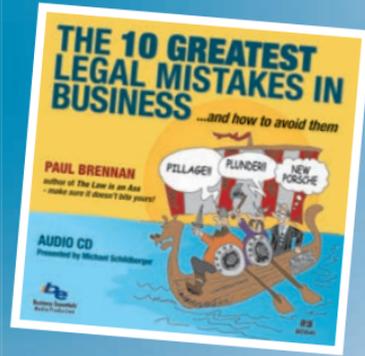
Visit www.lincolnindicators.com.au

Lincoln.
**Stock
Doctor®**

“fantastic value, fun, great listening”

THE 10 GREATEST LEGAL MISTAKES IN BUSINESS *...and how to avoid them*

AUDIO CD PLUS EBOOK



It is difficult for even the most creative business person to commit entirely new legal mistakes. They've all been done before - many, many times. Often people wait until they are desperate before they see a lawyer about a legal problem - this just seems to be human nature. But you don't need to learn the hard way.

You can avoid legal mistakes if you know what is coming.

Paul Brennan, author of *The Law is an Ass - make sure it doesn't bite yours!* lists the top 10 legal mistakes in business - plus other legal minefields. And it couldn't be easier. You can listen to the CD and then reinforce the key messages by reading the eBook.

YOU WILL LEARN HOW TO:

- Take the pain out of partnership disputes
- Avoid disaster when buying a business
- Benefit from “restraint of trade” clauses
- Negotiate leases
- Use trade marks to protect your business name
- Prevent the theft of your business secrets
- Survive a computer contract
- Mediate to settle disputes
- Manage litigation - the last resort!

Special BE
Subscriber
Price
\$19.95

**To Purchase a copy of this CD plus eBook
call Business Essentials direct on 1800 039 098**



In-House Training that really measures up

For tailored In-House Training that provides your business or practice with a competitive edge – turn to the experts at the Institute of Chartered Accountants in Australia. We offer customised training in three main areas – technical, general business and people skills.

Visit charteredaccountants.com.au/inhouse
or call 1300 137 322 to find out more.

GAA Global Accounting Alliance



**Chartered
Accountants**

NUMBER ONE IN NUMBERS