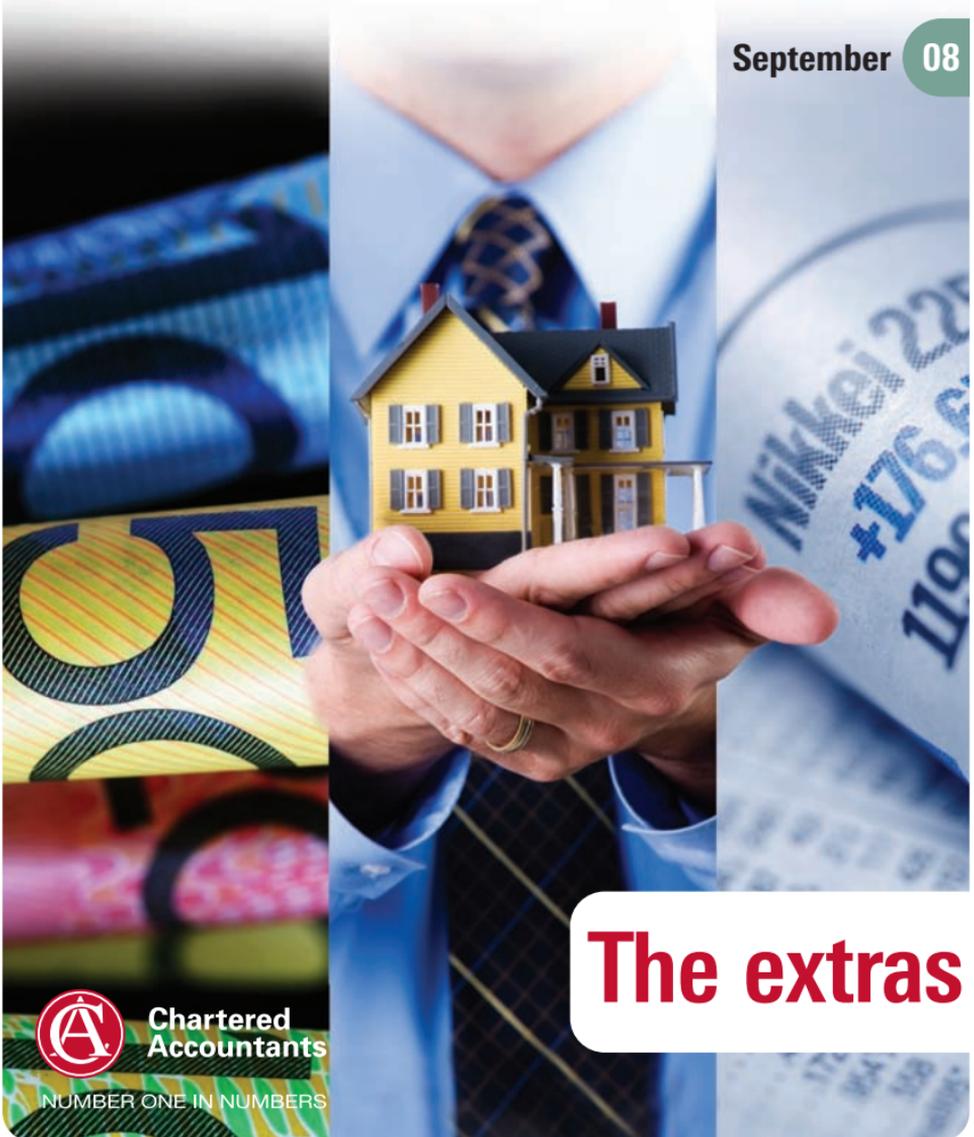


Chartered Accountants

# Business **in focus**

Monthly audio program > presented by Michael Schildberger

September 08



**The extras**



Chartered  
Accountants

NUMBER ONE IN NUMBERS



Economic volatility is of course confusing. Usually I've been a believer in not worrying too much about the big economic picture because one shouldn't ever lose sight of running one's own enterprise. Right now, however, there are some fundamental questions we need to consider that have a direct impact on our businesses. Do we invest now in shares or property or do we wait for the mystical bell to ring indicating the bottom of the market? Do we put our money in the bank while we wait? We seek advice on this month's CD from Stock Doctor Tim Lincoln and his firm's CEO Elio D'Amato who, as head of research, keeps a close watch on the economy. And we talk to a man who has spent his life buying and selling property, John Fitzgerald. All three advise there are huge opportunities right now and we should be cautious about waiting for the bell because the turnaround, based on history, will be very quick when it happens.

An international adviser on business growth, Verne Harnish, on his way to Australia again this month, foreshadows some excellent opportunities in Australia which he outlines on the CD.

How much do you or clients understand about the Carbon Pollution Reduction Scheme? Anthony Collins of Emerging Markets at the ASX explains how it'll work and the opportunities for businesses.

Auditing is undergoing many changes and George Dakis of Nexia ASR warns that some auditors are not keeping up.

If you're busier than ever, chances are you're not being effective, advises Dr. Peter Dingle of Dingle Presentations. He explains why so many busy people die so young and how busy people can improve their lives.

Enjoy this month's program and this edition of The Extras.

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

### CARBON POLLUTION REDUCTION SCHEME

Anthony Collins, Emerging Markets, ASX

- > An Emissions Trading Scheme (ETS) puts a limit on the total level of carbon pollution across prescribed sectors within an economy and in turn issues permits to emit
- > The role of the financial markets is to facilitate the trading of carbon pollution permits and assist with the investment necessary to reduce emissions
- > The financial market will provide both over-the-counter and exchange-based forums for trading
- > The key lesson from other schemes is to implement a robust framework for firms to report their carbon pollution

## Track 2

### AUDIT ESSENTIALS

George Dakis, Audit & Assurance Services, Nexia ASR

- > ASIC's surveillance program has identified significant shortcomings in the way auditors practice
- > ASIC has identified these hot spots and has publicly mentioned what it's looking for in quality control and audit methods
- > The new audit standards that came in a few years ago force the auditor to better understand the client's business and assess the risks associated with that business
- > A significant amount of additional time is created by this process and the way we practice has also changed dramatically
- > Every firm must now have a quality control manual and appropriate policies and procedures to deal with quality control at an audit engagement level

# This month's **essentials**

## Track 3

### WHERE DO I INVEST NOW?

Tim Lincoln & Elio d'Amato, Lincoln Stock Doctor.

- > The Australian economy is still fundamentally strong despite continuing global uncertainty
- > Timing a return to the stockmarket depends on investors' knowledge and experience
- > "Drip-feeding" is a sensible approach if you're uncertain about when the market will bottom out
- > Staying in cash provides certainty now, but won't offer long-term growth as the market picks up
- > The current volatility could last 6 to 9 months, but no-one can predict the upturn with any certainty

## Track 4

### PROPERTY: BUY NOW - OR WAIT?

John Fitzgerald, Custodian Wealth Builders

- > When people talk about property sales being down, they're talking about the high end, not the lower or median level
- > I think we'll have 10-12% rise in median sales 'til interest rates come down. Then it'll be a boom
- > This year is my biggest buying and building time. I'm looking at 2009/10/11
- > I buy new houses at the lower end - under \$400,000 - in capital cities
- > I make sure the value of the land is at least 40-50% of the total purchase price
- > The Golden Rule of buying property is that land appreciates, buildings depreciate

## Track 5

### TAX REFORM PROSPECTS

Professor Neville Norman, Melbourne University & Michael Jones, Cummings Flavel McCormack

- > NN: Scrap all work related deductions.  
MJ: It might be simpler but you get inequities when you simplify too much
- > NN: Change gifts from a deduction to a rebate - high income earners now get greater tax value  
MJ: It's important to encourage people to make donations. For high income earners a tax incentive can be powerful
- > NN: There'll be pressure to cut superannuation tax breaks  
MJ: Super policy has to reflect the current needs of the community

- > NN: Most countries give an option of being taxed as a family or individual  
MJ: It should be a choice
- > NN: Treating and taxing trusts like companies will be discussed  
MJ: It's back to front. Why not treat companies like trusts?
- > NN: Radically increase tax penalties. The 200% maximum is rarely imposed  
MJ: Effective enforcement is important instead of increasing penalties

### Track 6

## SUCCESSION PLANNING: PUT BUSINESS FIRST

Adrian McFedries, DC Strategy

- > Succession planning should focus on where the business is going and its growth
- > Understanding where the growth opportunities lie helps you choose the right people
- > If the business is to be sold, it's important to prepare properly - up to 2 years ahead
- > If it's being passed to the next generation, there's no guarantee they'll be right for the top job
- > Take emotion out of it. Sometimes a couple of people need to swallow their pride

### Track 7

## GOING FOR GROWTH

Verne Harnish, US Author

- > Attention to detail can keep the cash flowing as your business expands
- > The world is about to see the biggest market expansion it's ever known
- > A clear strategy is crucial to driving growth
- > Perseverance and toughness will help get you through the difficult early years
- > Discipline at all levels provides the launching pad for innovation
- > Go global and get lean - watchwords for the future

# This month's **essentials**

## Track 8

### IMPROVING AVERAGE DOLLAR SALES

Tony Gattari, Achievers Group

- > Create a package for clients so that you're not just selling a product
- > Set goals for sales people and reward them if they meet the goals short term.
- > NEVER discount
- > Service only "A Grade" customers. They'll keep buying and recommend you to friends
- > Stock a higher price range. Customers will usually buy the middle range
- > Carry exclusive lines and make sure that sales people recommend them

## Track 9

### FIVE STEPS TO ATTRACTING THE RIGHT STAFF

Jason Snell, Final5

- > Understand what you are looking for
- > Create the advertisement that will attract the candidates you are after
- > Advertise in the right areas
- > Move quickly with the candidates you like
- > Ensure you "sell" your business to the candidates

## Track 10

### WHY BUSY PEOPLE DIE YOUNG

Dr. Peter Dingle, Dingle Presentations

- > We're so busy now that we forget how to look after our health and other important life aspects
- > Being busy has almost become a competition - "I'm busier than you"
- > I lead a full life but I'm not busy. I find ways to fit in everything important
- > Ask yourself what's important to you then write down your answer - family relationships, health and well-being
- > If you're not healthy you're not being productive. Then you leave the planet

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

## **CARBON POLLUTION REDUCTION SCHEME**

The Institute of Chartered Accountants in Australia

**1300 137 322**

**[www.charteredaccountants.com.au/training](http://www.charteredaccountants.com.au/training)**

## **AUDIT ESSENTIALS**

The Institute of Chartered Accountants in Australia

**1300 137 322**

**[www.charteredaccountants.com.au/training](http://www.charteredaccountants.com.au/training)**

## **WHERE DO I INVEST NOW?**

Tim Lincoln & Elio d'Amato,  
Lincoln Stock Doctor

**Tel:** 1300 676 332 or 03 9854 9444

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

**Website:** [www.lincolnindicators.com.au](http://www.lincolnindicators.com.au)

## **PROPERTY: BUY NOW - OR WAIT?**

John Fitzgerald,  
Custodian Wealth Builders

**Tel:** 07 5527 4999

**Website:** [www.wealthbuilders.com.au](http://www.wealthbuilders.com.au)

## **TAX REFORM PROSPECTS**

Prof Neville Norman,  
Melbourne University  
[n.norman@unimelb.edu.au](mailto:n.norman@unimelb.edu.au)

Michael Jones,  
Cummings Flavel McCormack  
**Tel:** 03 9252 0800

**Email:** [enquiries@cfmc.com.au](mailto:enquiries@cfmc.com.au)

**Website:** [www.cfmc.com.au](http://www.cfmc.com.au)

## **SUCCESSION PLANNING: PUT BUSINESS FIRST**

Adrian McFedries, DC Strategy

**Tel:** 03 8102 9200

**Email:** [growth@dcstrategy.com](mailto:growth@dcstrategy.com)

**Website:** [www.dcstrategy.com](http://www.dcstrategy.com)

## **GOING FOR GROWTH**

Verne Harnish, US Author  
<http://www.charteredaccountants.com.au/A121545384>

**Website:** [www.gazelles.com](http://www.gazelles.com)

**Website:** [www.goforgrowth.com.au](http://www.goforgrowth.com.au)

## **IMPROVING AVERAGE DOLLAR SALES**

Tony Gattari, Achievers Group

**Tel:** 02 9440 7373

**Website:** [www.achieversgroup.com.au](http://www.achieversgroup.com.au)

## **FIVE STEPS TO ATTRACTING THE RIGHT STAFF**

Jason Snell, Final5

**Tel:** 03 8526 6555

**Website:** [www.final5.com.au](http://www.final5.com.au)

## **WHY BUSY PEOPLE DIE YOUNG**

Dr Peter Dingle, Dingle Presentations  
[p.dingle@murdoch.edu.au](mailto:p.dingle@murdoch.edu.au)

**Tel:** 08 9360 6788

**Mob:** 0414 360 569

# 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	\$295	\$395	\$275	\$375
<input type="checkbox"/> Tax in Focus – Online	\$295	\$395	\$275	\$375
<input type="checkbox"/> Combined (Business in Focus + Tax in Focus) – Online	\$495	\$695	\$465	\$665

## 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](http://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

# Uncover tomorrow's Star Stocks\* today

## Learn how you can identify the top stocks on the market with ease

Lincoln's Stock Doctor® software empowers DIY investors to make intelligent and informed investment decisions. It provides fundamental analysis of key accounting statements and ratios for all ASX listed companies with ease, so you can focus your full attention on making important stock selection decisions. Take control of your investment portfolio – let Stock Doctor® help you select companies of the highest quality and financial health.

Take advantage of our free seminars in your state.  
Register online to uncover tomorrow's Star Stocks today!

Call 1300 676 332  
Visit [lincolnindicators.com.au](http://lincolnindicators.com.au)  
Email [enquiries@lincolnindicators.com.au](mailto:enquiries@lincolnindicators.com.au)

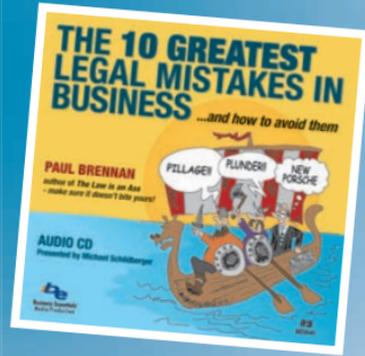
The logo for Lincoln Stock Doctor features the word "lincoln" in a blue sans-serif font with a green bar above the 'i'. Below it, "Stock" is written in a larger, bold, black sans-serif font, and "Doctor" is written in a smaller, black sans-serif font with a registered trademark symbol (®) to its right.

\*Lincoln Star Stocks represent a selection of stocks that meet our benchmark criteria of our 9 Golden Rules. For more information on our 9 Golden Rules please visit our website [www.lincolnindicators.com.au](http://www.lincolnindicators.com.au) Important information: Lincoln Indicators Pty Ltd ACN 006 715 573 (Lincoln). AFSL 237740. This communication may contain general financial product advice. This communication has been prepared without taking into account your personal circumstances. You should therefore consider its appropriateness, in light of your objectives, financial situation and needs, before acting on it. Investments can go up and down.

*“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](http://charteredaccountants.com.au/inhouse)  
or call 1300 137 322 to find out more.

