

# Challenges & change: the Institute looks ahead

Tim Gullifer, Institute President



## Chartered Accountants Business in Focus

August 2013

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Institute of  
Chartered Accountants  
Australia



Welcome to this August 2013 edition.

In this edition, we deviate from our usual mix of accounting and business topics – just for a moment – to go straight to the heart of your membership with the Institute of Chartered Accountants Australia. Why be a member and how relevant is the Institute to your professional life? At the very top of the organisation, and right in the middle of a busy term as Institute President, Tim Gullifer will tell you about the strategies he's introducing to take you and your important membership body towards a healthy and prosperous future.

The Institute is there to help you in so many ways – we're pleased, of course, that Business in Focus is one way in which your business and professional life can be improved. With that in mind, among our other topics this month, we take you into the cloud, as Paul Brindle of Thomson Reuters describes the big opportunities ahead for accounting practices who make the move to cloud-based accounting software.

On the business-side of things, we ask you to consider your debt collection practices. Are your clients paying you on time – or are you, well, a little lax on collecting your debts? Roger Mendelson of Prushka Fast Debt Recovery has some simple principles and practices that could make a big difference to your bottom line.

Regular economist Professor Neville Norman offers a consideration and a fascinating prediction this month. His consideration concerns what he calls the "pollie porkies" which seem to be flying around during this heightened election environment; his prediction takes us way past the election to Federal Budget 2014, with a fascinating proposition for us all.

Plus, we have the latest assessment of the market in business sales; we have reminders on the new loss carry-back measure; and we also have some very practical tips about your lighting bills. If ever there was a way to save money, this interview might just provide it.

As always, there's a good variety of topics for you this month. We trust you'll enjoy them.

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# Information

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

## **CHALLENGES & CHANGE: THE INSTITUTE LOOKS AHEAD**

Tim Gullifer, President,  
Institute of Chartered Accountants Australia

## **ECONOMIC UPDATE**

Professor Neville Norman,  
Melbourne University  
neville.norman@unimelb.edu.au

## **THE BENEFITS OF CLOUD-BASED ACCOUNTING SOFTWARE**

Paul Brindle, Thomson Reuters  
paul.brindle@thomsonreuters.com  
www.thomsonreuters.com.au  
www.thomsonreuters.com

## **HOW TO ELIMINATE YOUR DEBT COLLECTION PROBLEMS**

Roger Mendelson,  
Prushka Fast Debt Recovery  
Tel: 03 9874 5000  
www.prushka.com.au  
Institute members are entitled to a discount of 10% off Prushka commission rates and the price of all Prushka products. Log in to the Business Partners link on the Prushka homepage, or contact Sylvia Mattiaccio on 03 8872 5982 or Sylvia@prushka.com.au

## **WHAT'S HAPPENING IN BUSINESS SALES**

David Meggs, P+S Business Brokers  
T: 03 9524 9700  
dmeggs@psbb.com.au  
www.psbb.com.au

## **DON'T LET LIGHTING BILLS GOBBLE UP YOUR PROFITS**

Fraser Clayton, Alpha Green  
T: 03 8750 0907 or Fraser Clayton direct: 0419 345 690  
fraserc@alphagreen.com.au  
www.alphagreen.com.au

## **NEW LOSS CARRY-BACK MEASURE: A WELCOME TAX CHANGE**

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## **SHAREMARKET UPDATE**

Elio D'Amato, Lincoln Stock Doctor  
T: 1300 676 333 or 03 9854 9444  
www.lincolnindicators.com.au

## **SUCCESS STARTS WITH HAPPY STAFF**

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# Neville Norman's Pollie Porkies

Get ready for Pinocchio nose-extending shockers in the forthcoming 2013 Federal election, from politicians on both/all sides. It's our job in media commentary to ensure politicians come clean and be clear, credible and comprehensive. Based on some lengthy experience in watching politicians (and their advisers) perform during the sensitive time of elections, I have a list of shockers – plus the corrective actions we need to demand of them to get them back on track, with clear, comprehensive, evidence-based representations to the public.

Offence	Example	Corrective
Uncosted promises	We will fix the health system with 10 new hospitals	Give explicit costings, with sources and on a time scale
Timeless money spins	If elected, we'll spend \$XBn on roads in NSW & Queensland	Demand all data be located on a time scale: years, quarters.
Jargon-based excuses	Things got worse first because we have the "J-curve" in operation	Brief pollies and advisers on the true meaning of economic terms
Exaggerated attribution	'We' have created 45,000 jobs since coming to office	Govt. spending provides about 25% of the real spending and job creation, not 100%.
Exaggerated derision	'They' never produced a budget surplus through their entire time in Government.	Allow for external events like the GFC
Confusion between marginal and average personal tax rates	We'll produce this magic budget without raising any tax rate	With fiscal drag, ATR's (share of income in tax) rise with income even with MTRs unchanged
Standstill personal income tax schedules	Tables with several standstill incomes and associated new & old tax payments	Use progressions of income as the only realistic scenarios over time
Crude tax estimates	Raise the GST rate from 10 to 15%, a 50% boost to GST revenue	Allow for fiscal dividend, tax substitution and other corrections to such crudities
Point estimates, not ranges	GDP will grow 2.35% this year	90% confidence band: in zone 1.7 to 3.3% - with reasons
Multiplier fallacy	Our new stimulus package will create 10k jobs directly and 50k secondary jobs, after the multiplier effect.	No supply side, exaggerated impact.
11 to 15 – I'm waiting...		
Watch this space!		

Professor Neville Norman: [n.norman@unimelb.edu.au](mailto:n.norman@unimelb.edu.au); [nrn1v@econ.cam.ac.uk](mailto:nrn1v@econ.cam.ac.uk)

## Hear and now

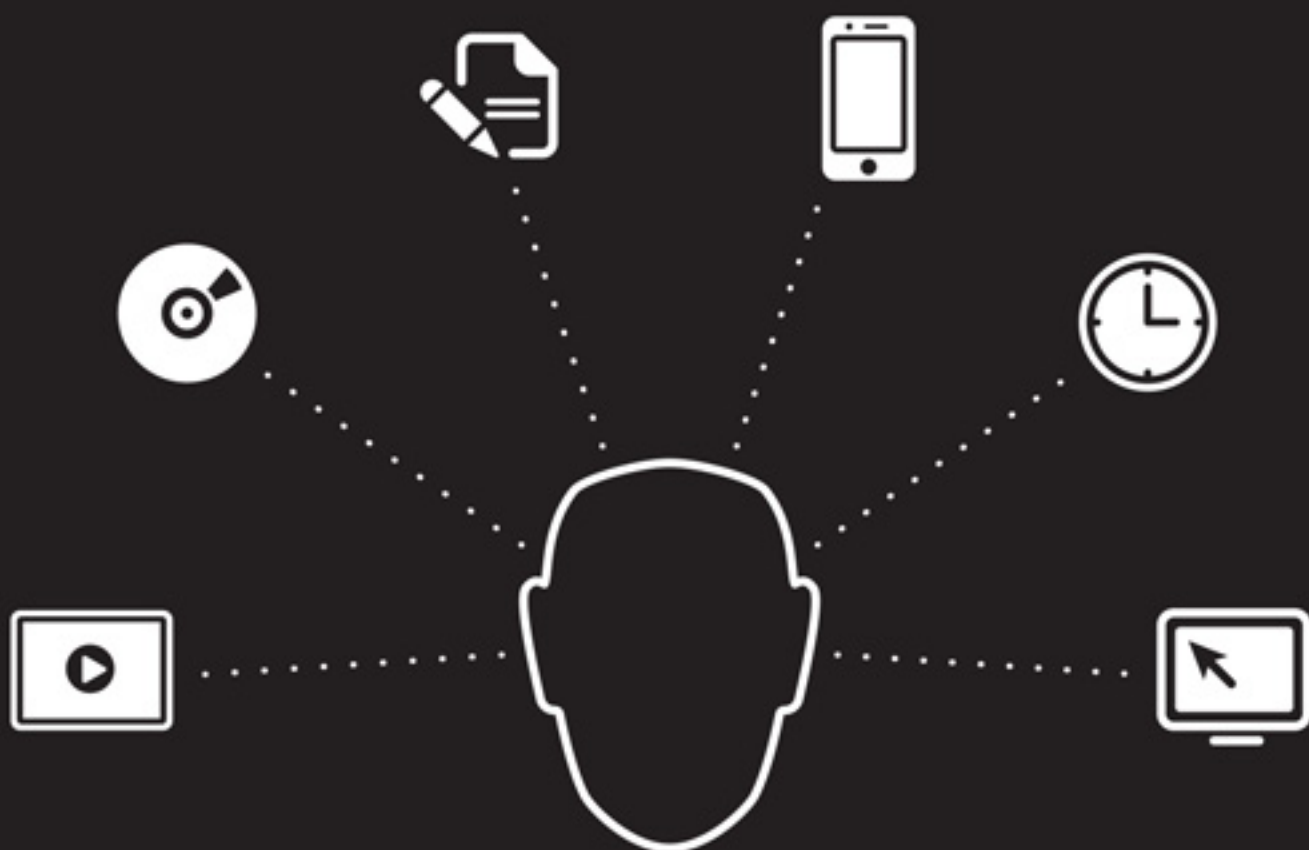


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