

INTHEBLACK

NOVEMBER 2021

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Taxing cryptocurrency

CAREER BOOSTERS
Give yourself a leg up

PLUG BACK IN
Re-energise your staff

"I talk a lot about values and putting people first. I truly believe that, if you have a choice between task and relationship, you must always choose relationship."

PEOPLE POWER

Toni Moate FCPA has built a distinguished career in the service of the Australian scientific community, most recently leading the design and build of a A\$120 million research vessel, *RV Investigator*.

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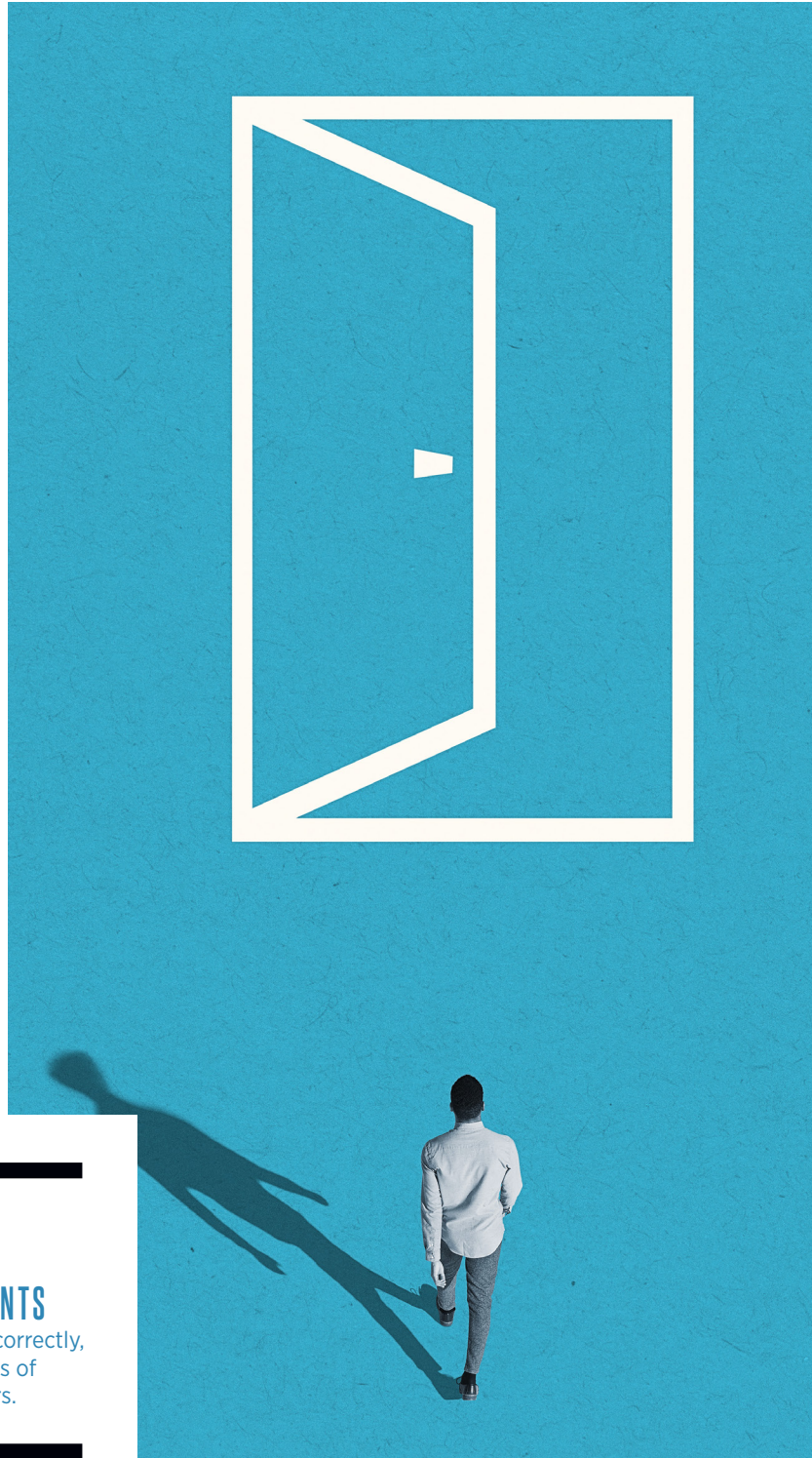
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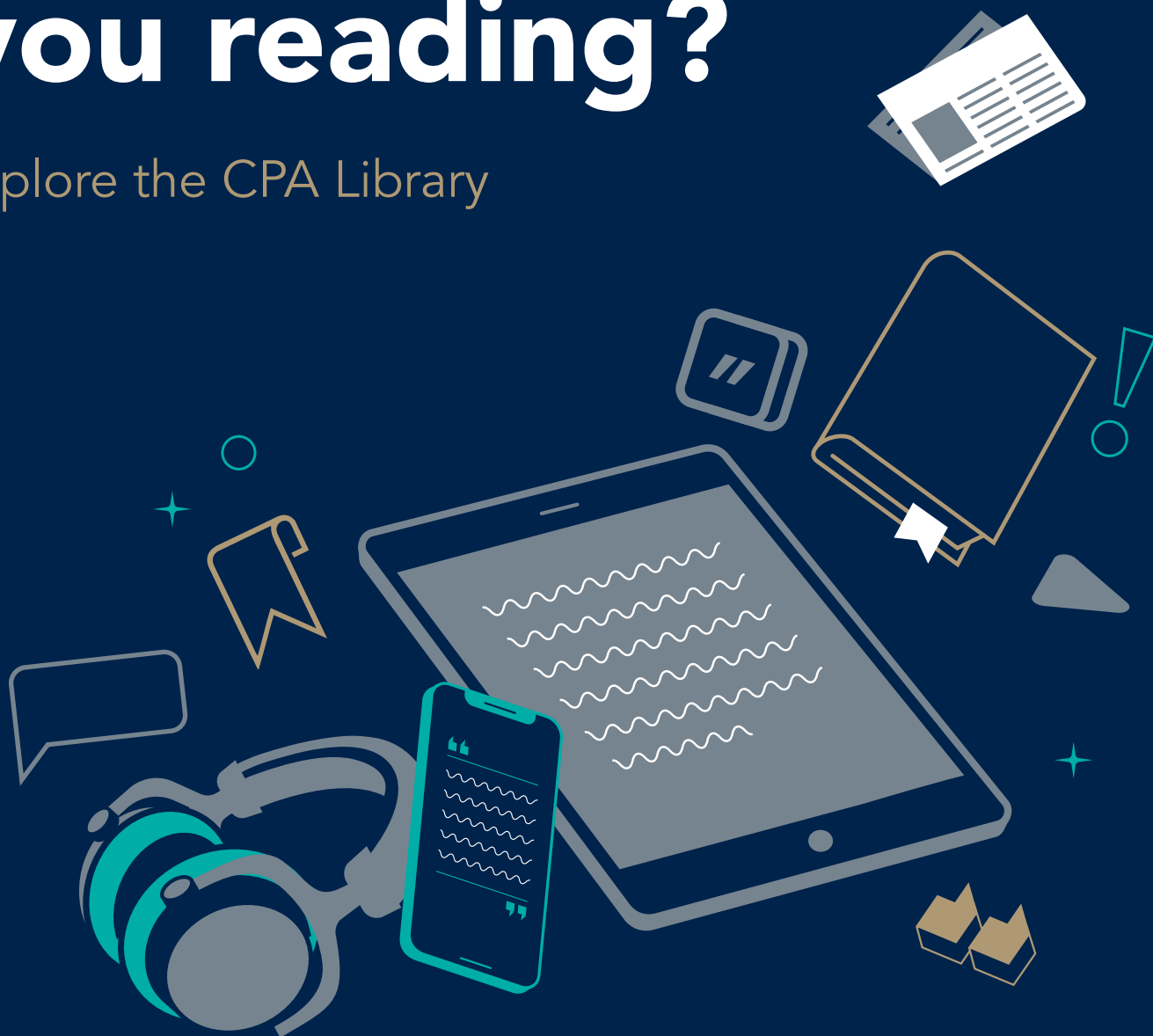
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GIVING BACK

Alan Chung FCPA passes
on the invaluable lessons
he learned as a Scout to
the next generation.

What are you reading?

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SUSTAINABILITY CAUSE

Welcome to the November issue of INTHEBLACK.

This month hosts a pivotal event on the global sustainability calendar. Most countries will attend the United Nations Climate Change Conference. This is widely regarded as a watershed moment in the challenge to limit global warming.

CPA Australia recognises the overwhelming scientific evidence of climate change and the urgency of global action to achieve net zero carbon emissions by 2050. Climate change presents profound consequences for environmental, economic and social sustainability and stability, and creates vulnerabilities in many other areas, such as health. Our economic systems are increasingly at risk, unless we adjust for the impacts of climate change.

There is now broad recognition of the obligation on companies to manage their climate change impacts. To facilitate this, CPA Australia supports elevating sustainability reporting to a level of rigour comparable to financial reporting and assurance. We are actively engaged in the global and national corporate reporting reform agenda. Additionally, through our policy and advocacy activities, CPA Australia promotes the economic and fiscal merits of market-based mechanisms as the most effective means of driving low emissions.

Accountants and finance professionals will play a key role in the transition to a net zero emissions future. Our research indicates that most businesses consider environmental, social and governance (ESG) factors important to their business and many want assistance in managing these impacts. In turn, many of our members are employed in sectors directly impacted by climate change and are intimately acquainted with ESG risks and opportunities. As trusted advisers and business partners, we can support the development of strategies to reduce carbon dependency in business operations and governance oversight.

Demand for ESG credentialled professionals currently outstrips supply in many of the markets our members work in. We have identified a strong demand among our members for pathways to develop ESG knowledge and practical skills. In October, we launched our new [ESG micro-credential](#) oriented towards job-ready ESG skills for accounting professionals.

As part of our strong support for action on climate change, CPA Australia recently co-signed a statement of commitment to net zero emissions. The statement was developed by The Prince of Wales' Accounting for Sustainability Project (A4S) and signed by major global accounting bodies from around the world. You can read more about this commitment [here](#). ■

**Merran Kelsall FCPA, CPA Australia
president and chairman**

“Accountants and finance professionals will play a key role in the transition to a net zero emissions future. Our research indicates that most businesses consider environmental, social and governance (ESG) factors important to their business and many want assistance in managing these impacts.”



**CLICK HERE
TO ACCESS
CPA Australia's
statement of
commitment to
sustainability**

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

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LET'S GET SOCIAL

PRINT AND DIGITAL AWARDS



**Mumbrella
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2021 WINNER
SPECIAL EDITION
OF THE YEAR
2021 FINALIST
BUSINESS MAGAZINE
OF THE YEAR
ASSOCIATION OR
MEMBER MAGAZINE
OF THE YEAR
2019 FINALIST
MAGAZINE COVER
OF THE YEAR -
BUSINESS
2018 WINNER
BEST USE OF
SHORT-FORM VIDEO



Communicator Awards
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EXCELLENCE**
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Telly Awards
**2018 GLOBAL
WINNER, SILVER**
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**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

CPA AUSTRALIA WEBINAR

Business technology use in the Asia-Pacific 2021

➔ OPEN VIDEO IN A NEW WINDOW

MENTAL HEALTH & RESILIENCE SPECIAL EDITION

INTHEBLACK released its second special edition on mental health in October, in recognition of mental health month.

The special edition acknowledges the ongoing challenges levelled at our mental health and wellbeing as events of the pandemic continue to govern the workday and our personal lives.

Under the theme of a more proactive approach to wellbeing and resilience, the edition includes articles, videos, podcasts, audiocasts and supplementary reading aimed at providing insight into how to set healthy boundaries, confront and deal with feelings of fear and uncertainty and build brain fitness.

The edition also provides tips for physical wellbeing and sleep health and includes a quiz on self-care.



➔ CLICK HERE TO READ

Richard Webb,
CPA Australia's policy
adviser, financial
planning and
superannuation

■ Every five years, the Australian Treasury releases its *Intergenerational Report*, which is based on current economic and social indicators.

■ The latest report makes projections of slower GDP and population growth, as well as a maturing superannuation system that could drive higher retirement savings over the next 40 years.

■ While the report highlights challenges, it also notes the resilience displayed by the economy during the pandemic.

HOW THE 2021 INTERGENERATIONAL REPORT WILL SHAPE POLICY FOR OUR FUTURE

THE AUSTRALIAN GOVERNMENT HAS RELEASED THE LATEST INTERGENERATIONAL REPORT, GIVING US A SNAPSHOT OF WHAT AUSTRALIA COULD LOOK LIKE IN THE NEXT 40 YEARS.

The *2021 Intergenerational Report* is a detailed, five-yearly snapshot of Australia that also forecasts where the current trends are going to take us based on economic and sociological indicators, such as taxation revenue, unemployment, inflation and fertility rates. The most recent report presents a generally upbeat view of Australia's future, but there are challenges as well.

HOW WILL THE TAX SYSTEM SUPPORT US?

According to the report, the economy is expected to grow at a slower rate over the next 40 years than it has in the past. Real GDP per person is expected to grow at an average annual rate of 1.5 per cent, down from the past 40-year average rate of 1.6 per cent. Population growth is also slowing down, with Australia expected to reach a population of 38.8 million in 2060-2061. This is likely to be due to a reduced migration intake, as well as a declining fertility rate.

These factors, as well as a general increase in life expectancy, mean that Australians aged 65 or over will likely make up 23 per cent of the population by 2060-2061. One key metric, which reflects the ratio of working age Australians to those aged 65 or over, will fall substantially from 4.0 to 2.7 by 2061. This fall in the number of working Australians – the bulk of Australia's taxpayers – highlights a potential problem, namely will Australia's retirees be adequately supported by the taxpayers?

According to the report, the national budget will remain in deficit well into the future, meaning that government debt is likely to provide part of the answer. However, with interest rates trending downwards for the foreseeable future, this may be less of a problem than it was in the past.

HOW WILL WE SUPPORT OURSELVES?

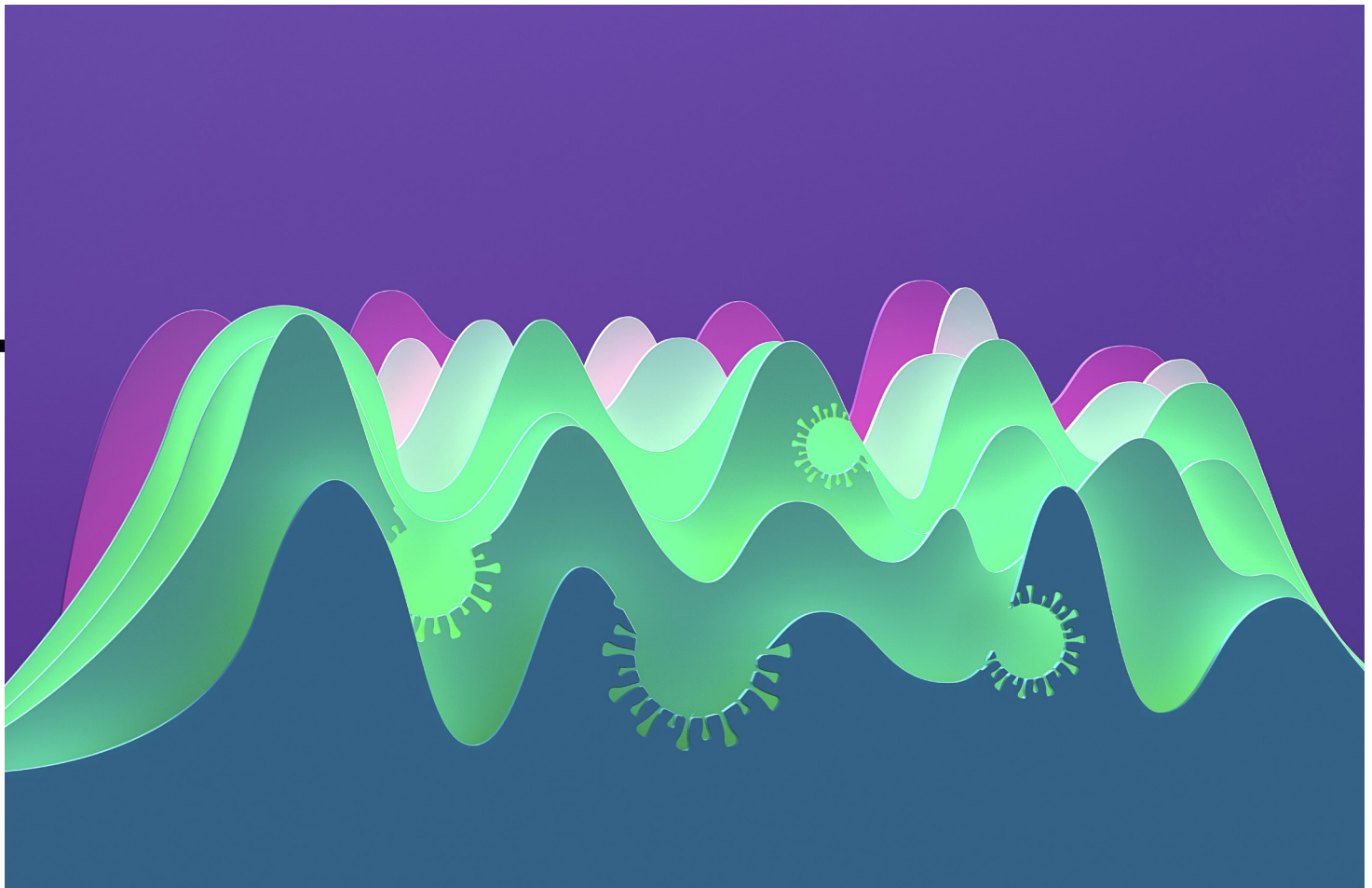
Despite housing affordability being considered part of the third pillar of retirement savings, there is little commentary on it in the report. This does not assist with understanding how much accumulated superannuation will be used to retire household debt. However, the report does make a number of other interesting points regarding retirement.

By 2060-2061, it is expected that Australians will retire with a median superannuation balance of A\$460,000, as compared to A\$125,000 today. This higher balance is likely due to the maturing superannuation system, which will see the superannuation guarantee increased to 12 per cent from 1 July 2025, meaning that Australians retiring in 2060-2061 will have had 35 years of the higher mandatory contribution rate.

This may mean a more comfortable life for retired Australians. However, the lower dependency rate should immediately worry Australians planning on retiring in 2060-2061, unless more is done to ensure they have



CLICK HERE
TO LISTEN
to this story as
an audiocast



access to financial advice. More efficient ways of providing financial advice will need to be found, since a genuine shortage of financial advisers is looming.

Between now and then, competing policy needs may position superannuation as something of a “golden goose” – will more retirement savings be opened up to pay for housing, for instance? The importance of a policy statement such as a legislated objective of superannuation will ensure that retirement savings are actually kept for retirement.

HOW DO WE PLAN FOR THE NEXT PANDEMIC?

Many commentators have noted that during the pandemic, the contingency planning across various sectors in Australia was not as good as it could have been, with lack of preparedness attributed by some to a function of government.

The report notes that the country’s economic performance during the COVID-19 pandemic is a validation of the Australian economy’s resilience. The report also highlights that COVID-19 has “not displaced” pre-existing demographic, technological and other trends in Australia’s long-term outlook.

Importantly, the financial sector will play an increasing role in pricing climate risk as part of the efficient allocation of capital. The report notes that the financial sector would likely wear the cost of extreme weather events and other natural disasters as the result of

climate change. Other risks include debt, the growing demand for aged care and healthcare from an ageing population, as well as the increased need for technological improvement.

HOW DO WE IMPROVE?

Over the past 30 years, productivity improvements in Australia have led to over 80 per cent of growth in real per-person gross national income. This is highlighted as a key issue in Australia’s decline in assumed annual real gross GDP increases over the next 40 years, to 2.6 per cent from 3.0 per cent.

Although the report highlights that governments will need to take the lead in building innovation and technological advancement, it is individuals and businesses that will need to use such improvements to enhance Australia’s productivity growth.

Despite challenges posed by the COVID-19 pandemic, the move towards remote working may have been the impetus for productivity gains seen through successful measures such as teleconferencing, remote collaboration and the ability to network remotely.

Going forward, trusted advisers will need to ensure that these changes are accurately measured and improved upon, and that provisions are made for future economic shocks. In response, the ability for the system to support retirees and for retirees to support themselves will also improve. ■



GET SMART

NOVEMBER 2021

COMPILED BY SUSAN MULDOWNNEY

NEW GREEN GUIDE

With 614 sustainability reporting requirements across 84 countries and 25 stock exchanges now requiring environment, social and governance reporting as a listing rule, organisations are relying on finance professionals to provide the knowledge, skills and processes to stay ahead of corporate reporting trends.

Accounting for Sustainability (A4S) and its Accounting Bodies Network (ABN) have released

Navigating the Reporting Landscape: An introduction to sustainability-related reporting for finance professionals, which provides a guide to the changing corporate reporting landscape. It summarises recent key developments in sustainability reporting and how they affect the role of accountants and shape the future of corporate reporting. It also highlights how this area is likely to evolve.

"With a clear global trend towards mandatory sustainability reporting, the

expectations of finance professionals are changing," says Jessica Fries, executive chair of the A4S project.

"A4S and ABN have produced guidance to help accountants navigate the rapidly changing corporate reporting landscape and make sustainable business 'business as usual'."

DOWNLOAD THE GUIDE HERE



“It’s important small business owners understand, if they look after their mental health, they can also help their business.”



BRUCE BILLSON
AUSTRALIAN SMALL
BUSINESS AND FAMILY
ENTERPRISE OMBUDSMAN

Source: [Australian Small Business and Family Enterprise](#)

HONG KONG’S AGEING CONCERN

At 85.3 years, life expectancy in Hong Kong is among the highest in the world, but a quarter (23 per cent) of Hong Kong residents have planned for a retirement that will last only between six and 10 years. The finding comes from the new *Productive Ageing in Hong Kong: Breaking the mould of ageing* report from The Economist Intelligence Unit, sponsored by HSBC Life.

The report, which includes a survey of 600 adults aged between 30 and 70, has found that 98 per cent have financial concerns about ageing, with the top two being medical and healthcare cost (66 per cent) and insufficient funds (51 per cent).

[READ THE REPORT HERE](#) ➔



779

**THE NUMBER OF “UNICORNS”
AROUND THE WORLD,
AS OF AUGUST 2021.**

“Unicorn” is the term used by venture capitalists to describe a privately held start-up company with a value of over US\$1 billion (A\$1.4 billion). They include Bytedance, a China-based artificial intelligence company valued at US\$140 billion (A\$190 billion), Singaporean transportation company Grab, valued at US\$14 billion (A\$19 billion) and Australian software and services company Canva, valued at US\$15 billion (A\$20 billion).

The total cumulative value of the world’s unicorns is estimated to be about US\$2505 billion (A\$3399 billion).

Source: [CB Insights](#)

FINANCE OF THE FUTURE

FINANCE FUNCTIONS ACROSS A RANGE OF ORGANISATIONS AND SECTORS WERE UNDERGOING TRANSFORMATION BEFORE THE COVID-19 PANDEMIC. WHAT CAN WE EXPECT IN THE YEARS AHEAD?

The *Future of the Finance Function* report from recruitment firm Robert Walters draws on a survey of more than 5500 professionals and 2200 global companies across 31 countries, as well as interviews with CFOs and heads of finance, to uncover the factors driving change within the finance function in the next few years. Key findings include:

47%

OF FINANCE LEADERS CLAIM THEIR DEPARTMENT LACKS THE RIGHT MIX OF SKILLS TO MEET ITS FUTURE POTENTIAL

55%

OF FINANCE LEADERS SAY THAT THEIR TEAM NEEDS TO UPSKILL IN TECHNOLOGY

83%

OF ORGANISATIONS WANT TO INCREASE THE TIME SPENT ON FINANCE BUSINESS PARTNERING

48%

OF BUSINESS LEADERS AGREE THAT FINANCE PROFESSIONALS NEED LEADERSHIP AND PROBLEM-SOLVING ABILITIES

[READ THE REPORT HERE](#)



56%

OF WORKERS IN SINGAPORE ANTICIPATE
LOOKING FOR NEW JOB OPPORTUNITIES
IN 2021. ANOTHER 36 PER CENT ARE
PASSIVELY OPEN TO NEW ROLES.

Source: [Michael Page](#)



FINDING YOUR PURPOSE

The link between purpose and profit is hard to refute, with the vast majority (98 per cent) of global business executives now believing it is critical for organisations to have a corporate purpose.

This is a key finding in *Purpose Drives Profit: How global executives understand value creation today*, a report compiled by global stakeholder communications agency Black Sun, in collaboration with the Value Reporting Foundation and the Association of International Certified Professional Accountants.

The report shows almost all companies now have a statement of purpose, but only 51 per cent of business leaders believe that their purpose statement is very clear. A further 75 per cent of executives think that integrated reporting better enables a company to communicate the factors that materially affect its ability to create value over time.

[READ THE REPORT HERE](#) 

LOOK TO THE CLOUD

CLOUD-BASED TECHNOLOGIES
HOLD THE KEY TO ECONOMIC
GROWTH ACROSS ASIA-PACIFIC,
ACCORDING TO A NEW REPORT
FROM DELOITTE.

Deloitte's report, *The Cloud Imperative*, finds that the region could benefit from a US\$160 billion (A\$217 billion) future economic boost if businesses increase investment in, and take greater advantage of, the cloud. However, only 10 per cent of businesses across the region believe they have a high level of cloud-readiness, while 46 per cent are hesitant or completely unprepared for cloud computing.

The report includes a survey of 600 business leaders across eight focus markets – Australia, Hong Kong, India, Japan, Mainland China, New Zealand, Singapore and South Korea.

[READ THE REPORT HERE](#) 

REVIEWS **DEREK PARKER**

GOOD READS



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**THE SECURE
BOARD**
Anna Leibel and
Claire Pales
eBook Alchemy



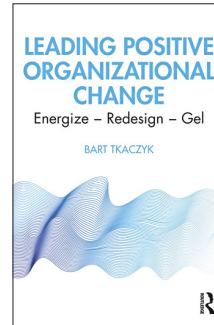
Anna Leibel and Claire Pales, specialists in cybersecurity, provide a wealth of data showing the trends around computer-based attacks on companies, and the news is worrying. Even more concerning, however, is that the boards of many companies – with a few notable exceptions – have been slow to respond. Too often, board members see cybersecurity as a matter for tech specialists rather than company leaders. Wrong, say Leibel and Pales. Inaction raises crucial questions of director liability as well as for the bottom line.

The book is designed for board members without deep IT expertise. It explains the problems in plain language and provides a framework for action, including strategies for protection, mitigation and response. Leibel and Pales conclude each section with advice on how to ask the right questions of specialists and how to understand the answers. Cybersecurity is an ongoing task, a constant race between the company guardians and those who would do harm.

The issue should be assessed in business risk and governance terms, with an appropriate level of resources provided and high-level leadership, as well as a plan for public statements. Be ready with a response package, because an attack is more likely to happen than not, the authors warn.



**LEADING POSITIVE
ORGANIZATIONAL
CHANGE**
Bart Tkaczyk
Taylor and Francis



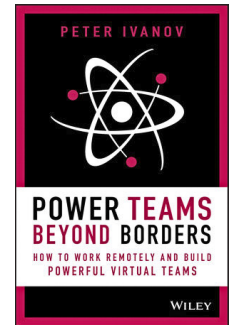
This short but pithy book would be valuable for company leaders who see the need for change within their organisation, but do not know where to start. Bart Tkaczyk is a consultant and coach who has worked with a wide range of companies on transformation, and he uses his experience to draw up a useful roadmap.

The first half of the book deals with working out where you want to go and how to get there, a model called Energise/Redesign/Gel. Tkaczyk notes that a readiness to change has to be a process embedded in the company culture (the “Gel” component) rather than a fixed outcome.

This is important material, but the real value of the book is in the second half, which provides 30 tools and frameworks for change. There are handouts, activities and diagnostic tests, extending down to the team level. The tools could be used for one-day meetings or longer retreats, and there are questions to assist individual self-reflection as well. The idea is to mix and match tools to construct a custom package. Tkaczyk also suggests metrics to assess progress and identify weak spots. His emphasis is on practical applications, and the result is a good guide to a difficult but necessary undertaking.

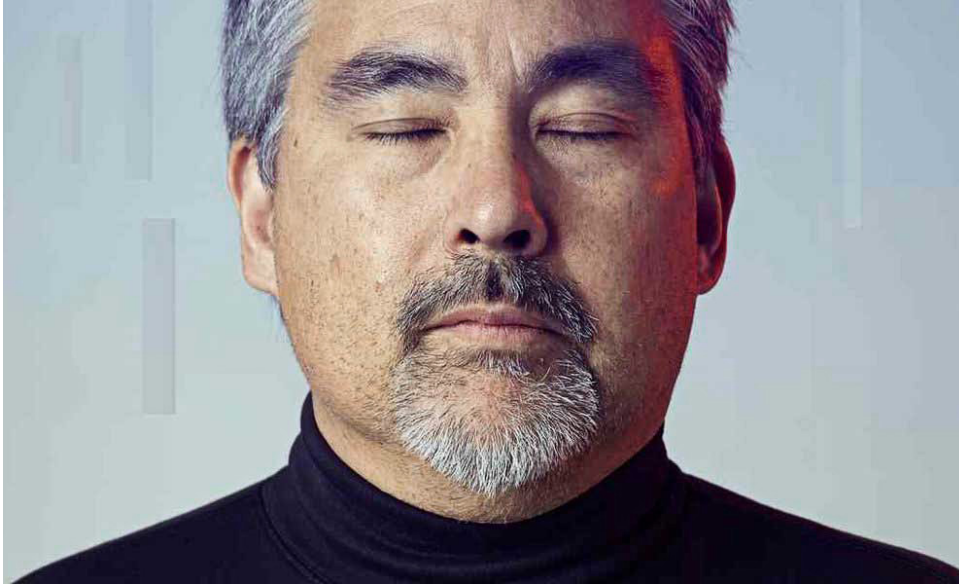


**POWER TEAMS
BEYOND BORDERS**
Peter Ivanov
Wiley



The COVID-19 pandemic has pushed the idea of virtual teams to the fore. Managing such a team is challenging; managing across borders, languages and time zones multiplies the problems. Peter Ivanov has led multinational high-level teams across several projects, and he knows the strategies to get it right – and how easily things can go wrong. He uses an extended anecdotal case study to illustrate his points, starting with exercises to build trust and methods to assess the skills that each member brings to the team. In most cases, the members will be managers or technical specialists, so it is crucial to ensure that the goals are agreed upon and the meeting processes are clear. It can be a good investment to have a person dedicated to technical meeting coordination, including sorting out translation services and platform issues.

The team leader has to understand the environmental pressures on each member, as well as cultural differences, and must avoid the temptation to micromanage. Ivanov breaks the processes into clear steps, including how to reach a conclusion that satisfies everyone.



TED TALK

WORKING WEEK

Alex Soojung-Kim Pang is a workplace consultant and the author of a new book – *Shorter: Work Better, Smarter, and Less*. In this TED Talk, he examines how companies around the world have moved to a four-day working week while improving productivity. The keys, he says, are shorter meetings (some companies set a timer), introducing “focus time” and making better use of technology. A shorter working week requires some adjustments to thinking as well as integration with work-from-home initiatives, but it can lead to more satisfied (and healthier) employees and better bottom-line results.

[WATCH THE TED TALK HERE](#) ➔

REPORT

RISKY BUSINESS

The pandemic, as well as increasing cybersecurity threats and global instability, has led company boards to see risk management as their key activity. However, most boards acknowledge that they are not where they want to be in this area. A survey of 500 global board members by finance giant EY reveals that risk management is not always aligned with business strategy, and is often focused on short-term issues instead of emerging challenges. The survey points to the need to rethink how the board operates, its composition and its role in setting an organisational purpose that extends beyond maximising returns for shareholders.

[DOWNLOAD THE REPORT HERE](#) ➔

ARTICLE

UPSKILLING

When it comes to landing a job or a promotion, demonstrating mastery of “soft” skills is becoming increasingly important, according to this interesting article from recruitment firm Hays. The article offers advice on how to position your skills portfolio to showcase empathy, creativity and self-motivation gained outside of the workplace, for example, through doing volunteer work or learning a new language. Other possibilities are starting or contributing to a professional blog, taking part in webinars and events, or working through a curated reading list. These activities can be used to strengthen a CV and showcase personal abilities in an interview.

[READ THE ARTICLE HERE](#) ➔

PAPER

HONEST POLICY

COVID-19 has underlined the difficulty – and the growing necessity – of effective communication. According to a paper by Professor Karin Sanders from the School of Management and Governance at the University of New South Wales Business School, leaders must work to develop a communication style that engenders trust in their messaging. Among the critical first steps, she lists being upfront about the limitations of the information, ensuring a consistent message across the organisation, being honest about the likely impact of hard decisions, and expressly acknowledging the importance of employees and the broader community.

[READ THE PAPER HERE](#) ➔

REPORT

LOOKING AHEAD

The first report from McKinsey’s Technology Council identifies the trends most likely to underpin competitive advantage in the next decades. The *Tech Trends Index* examines next-gen computing, distributed infrastructure, non-human coding, biomachines and nanomaterials as areas to watch. Some of these are close to maturity, while others are in the advanced research stage, but all are likely to eventually have a critical impact on business. The report makes for fascinating reading, in non-technical language. It will be followed by a cross-industry strategy guide that explains how to integrate emerging technologies into organisational structures and culture.

[READ THE REPORT HERE](#) ➔

■ The growth in “neo-liberalism” has caused the role of government in the Western world to shrink, but rising income disparity and environmental concerns are driving a shift.

■ Commentators suggest it is time for a re-set that brings more inclusivity to capitalism and gives more consideration to environment, social and governance factors.



CAPITALISM'S INCLUSIVE RESET

WIDENING INCOME DISPARITY AND A HEIGHTENED FOCUS ON THE IMPORTANCE OF SOCIAL LICENCE IN BUSINESS ACTIVITY HAVE DRIVEN CALLS FOR A MORE INCLUSIVE FORM OF CAPITALISM.

In the 1970s, Nobel Prize-winning economist Milton Friedman said that the “only social responsibility of a business is to use its resources and engage in activities designed to increase its profits”.

Much has happened in the intervening decades since Friedman’s pronouncement.

The advent of “neo-liberalism” has seen the role of governments in the Western world shrink and many of the regulatory and legislative guard rails for business removed.

While this had the immediate effect of unshackling business activity and unleashing forces such as privatisation and globalisation, the more recent focus on the environment has brought the needle back the other way, and “social licence” has risen in importance.

The growing income disparity in affluent countries has played into this, creating a new momentum for so-called “inclusive capitalism”,

the idea that business has significant responsibilities beyond simply making profits.

The implicit warning is that, if capitalism is not inclusive enough, it is doomed to fail, and we risk social and environmental chaos.

LEADING THE CHANGE

In the wake of the COVID-19 pandemic, commentators have been suggesting that a re-examination of economic priorities, with a new and bigger role for governments at its core, should be considered.

In the UK, for example, insurance company Legal & General has been a leader in this area, releasing a *Sustainability and Inclusive Capitalism 2020-21* report, which maps out its vision in the three areas of environmental, social and governance (ESG) practice – achieving net zero emissions, making a meaningful social contribution and growing the business in a responsible and sustainable way.

Since the UK first went into lockdown, the company has invested £1.5 billion (A\$2.8 billion) in UK towns and cities, supporting what it says is a “levelling up” through promoting a more even economic recovery from the pandemic.

In the US, Lynn Forester de Rothschild, part-owner of *The Economist* magazine, has been the driving force behind the creation of the Coalition for Inclusive Capitalism. She advocates for carbon taxes, a living wage and action to combat obesity, which she considers to be a byproduct of capitalism.

In Australia, Sukhbir Sandhu has made inclusive capitalism a special area of research in her role as associate professor of sustainability and ethics at the University of South Australia.

She sees inclusive capitalism as a “ladder” that the business world is climbing, to reach an advanced position of leadership and responsibility.

Sandhu says Friedman understood that, if the unfettered pursuit of profit becomes a risk, then it should be moderated. After all, if poverty becomes too widespread, how will corporates sell the products they make at scale?

“Risk management is definitely a big part of it on the lower rungs of the ladder,” says Sandhu. “But some would argue that all these ideas about inclusive capitalism are just like putting lipstick on a pig, because if you are managing them as risks,

“MY BELIEF IS THAT CAPITALISM IS A GOOD THING, BUT IT DOES NEED TO REFLECT THAT ONE GROUP CANNOT BENEFIT AT THE EXPENSE OF SOCIETY AND THE ENVIRONMENT. IF WE GET TO A POINT WHERE THIS IS WIDELY RECOGNISED, THAT WILL BE GOOD FOR EVERYONE.”

ASSOCIATE PROFESSOR
SUKHBIR SANDHU,
UNIVERSITY OF
SOUTH AUSTRALIA

then you are not moving us fast enough to where we need to go.”

FROM RADICAL TO MAINSTREAM

Another aspect of inclusive capitalism that needs to be considered carefully, Sandhu says, is regulatory compliance.

If businesses do only as much as they are required, compliance becomes a box-ticking exercise, indicating a lack of ethical commitment. On the opposite end of the scale are businesses that make a commitment to social and environmental issues as part of their corporate strategy, thereby transforming themselves from “poachers to gamekeepers”, Sandhu says.

Institutional theory says that, when society changes its expectations in a major way, some companies “break free from the herd” to become frontrunners and propel seemingly radical ideas into the mainstream.

Sandhu is sceptical that governments can drive change on a similar scale, due to typically short election cycles in democratic societies creating little commitment and too much policy uncertainty. Similarly, even though consumer sentiment can shape brand perceptions and shame corporates into positive action, consumers are not yet organised at a sufficient scale.

MIND THE GAP

While the greatest hope lies with activist stakeholders and ethical corporate leaders, Sandhu says “the magic happens when there is both a bottom up and top down processes acting together”.

“It’s not such a bad idea for the ‘social floor’ to be higher and the ‘ceiling’ to be lower, because we know when that gap is too high even the rich are unable to live in these societies because they become dangerous.”

In the long run, she says, income inequality does not work for any society that seeks to function effectively.

“My belief is that capitalism is a good thing, but it does need to reflect that one group cannot benefit at the expense of society and the environment,” says Sandhu.

“If we get to a point where this is widely recognised, that will be good for everyone.” ■

COMPILED BY SUSAN MULDOWNEY



01

SU-LIN ONG

CHIEF ECONOMIST AND MANAGING DIRECTOR,
RBC CAPITAL MARKETS

HIGH EXPECTATIONS

THE INTERNATIONAL MONETARY FUND HAS RECENTLY WARNED THAT INFLATION MAY BE SETTLING IN FOR THE LONG TERM AND ENCOURAGED CENTRAL BANKS TO TAKE PRE-EMPTIVE ACTION. WILL ULTRA-LOW INTEREST RATES AND THE FREE FLOW OF MONEY TRIGGER THE RETURN OF HIGH INFLATION?



Global prices are increasing quickly, with country-weighted Consumer Price Index accelerating in 2021 and running above 4 per cent year on year, while inflation expectations are rising.

The combination of strong demand as COVID-19 restrictions continue to ease worldwide and supply struggling to keep up, exacerbated by supply chain disruptions, is underpinning a lift in inflation.

Policy settings are fuelling these dynamics. While the global fiscal impulse is past its peak, it was historically large, and monetary settings remain ultra-easy, with liquidity continuing to be added. In addition, changes to key policy frameworks by the US Federal Reserve and European Central Bank hint at a desire for higher inflation.

A long period of ultra-low rates drives a misallocation of capital. Fuelling asset prices, it forces riskier investment behaviour and encourages more debt, but is the alternative of deeper recession and higher unemployment any better?

Inflation will remain elevated for some months, but we think it is unlikely to be sustained at the current pace. Base effect will wane, supply chains are being restored and pent-up demand will be satiated.

There is also only so much catch-up in services that can occur. If inflation continues to surprise to the upside and becomes more embedded and broad-based, central banks know what to do and can move quickly.

Inflation will remain elevated for some months, but we think it is unlikely to be sustained at the current pace...If inflation continues to surprise to the upside and becomes more embedded and broad-based, central banks know what to do and can move quickly.



02

JO MASTERS
CHIEF ECONOMIST,
EY OCEANIA

Inflation is back – well, at least talking about it is. Headline inflation rose by 3.25 per cent in the year to June. There is undoubtedly asset price inflation (yes, the housing market), commodity and producer price inflation.

However, will this translate into sustained, generalised consumer price inflation? Never say never, but I think it's transitory, and here's why.

Underlying inflation was just 1.6 per cent in the June quarter. Some of the price pressures we are seeing reflect base effects, but, more importantly, ongoing global supply chain dislocation, combined with government policies, have spooked demand – the cost of renovating a home or buying a second-hand car, for example. These markets will adjust in time, leaving a disinflationary pulse, particularly if the Australian dollar continues to appreciate.

Economic modelling shows that the key determinant of inflation is spare capacity in the labour market and wages growth. The jobs recovery has been strong, and the unemployment rate has fallen to 4.9 per cent. However, that is above full employment, which is likely in the low fours, and annual wages growth is just 1.5 per cent. The rule of thumb is that wage growth needs to be 3.5 per cent for inflation to be at 2.5 per cent, the mid-point of the Reserve Bank of Australia's target. Even with a doubling of wage growth, the outlook is not one of runaway inflationary pressures, and lockdowns have seriously dented the economic recovery.

What if I'm wrong? Well, policymakers are very good at tempering too-high inflation, and it would give central banks the opportunity to lift the cash rate off the floor, which is not such a bad thing.

Some of the price pressures we are seeing reflect base effects, but, more importantly, ongoing global supply chain dislocation, combined with government policies, have spooked demand...Markets will adjust in time, leaving a disinflationary pulse, particularly if the Australian dollar continues to appreciate.



03

BRENDAN COATES
ECONOMIC POLICY PROGRAM DIRECTOR,
GRATTAN INSTITUTE

Prices have been flatlining for years, but now there is talk that inflation is back. How worried should we be?

There is little doubt we'll see a spurt of inflation in the short term. The Reserve Bank of Australia (RBA) expects inflation to hit 3.25 per cent for the year to June. Inflation in the US rocketed back to 5.4 per cent in the year to June 2021.

However, a lot of that inflation will be temporary. Supply bottlenecks that emerged as the global economy opened up will ease in the coming months. In the depths of the pandemic panic last year, Australia's Consumer Price Index actually fell by 1.9 per cent in the June quarter. A lot of inflation reported now simply reflects those past price falls.

Sustained inflation is really only a risk when rising prices get factored into firms' and workers' expectations, but inflation expectations remain subdued, so it's hard to be worried.

It is hard to see inflation expectations rising after inflation has persistently undershot the RBA's inflation target band of 2 per cent to 3 per cent a year for half a decade. Market economists – according to the RBA's own survey – appear to agree. They expect inflation two years from now to be just 2 per cent. Union officials are more pessimistic.

After years where inflation has undershot, rising inflation would be among the best signs yet that Australia is exiting the economic funk it has endured for much of the past decade. Having missed its inflation target for much of the past decade, the RBA would probably agree.

Sustained inflation is really only a risk when rising prices get factored into firms' and workers' expectations, but inflation expectations remain subdued, so it's hard to be worried.

MEET THE EXPERTS

SU-LIN ONG

Su-Lin Ong is chief economist and managing director with RBC Capital Markets. Prior to joining RBC in 1998, Ong was a fixed-income economist for Hambros Bank, and before that worked as an economic adviser at the Department of Prime Minister and Cabinet. She has recently joined the Committee for Economic Development of Australia's economic policy committee and appointed to the Women in Banking and Finance board.

JO MASTERS

As the chief economist for EY Oceania, Jo Masters is passionate about driving discussions around the traditional and disruptive forces that shape the economy. Her involvement in the banking sector has focused on economic research and trends, and currency strategy. Masters sits on the advisory committee for the Financy Women's Index and teaches Economics 101 to SheStarts, an accelerator program for female entrepreneurs.

BRENDAN COATES

Brendan Coates is economic policy program director at the Grattan Institute, where he leads work on tax and transfer system reform, retirement incomes and superannuation, housing, macroeconomics and migration. He is a former macro-financial economist with the World Bank in Indonesia, as well as a former Australian Treasury official.





AT A GLANCE

■ Toni Moate FCPA began her career with CSIRO in 1991 and is now director of national collections and marine infrastructure.

■ Moate takes a keen interest in scrutinising processes and embracing new technologies that can improve how those processes are run.

■ Moate is also passionate about amplifying the role people play within processes and encouraging strong stakeholder relationships.

TONI MOATE FCPA HAS BEEN APPLAUDED FOR HER POWERFUL TALENT IN PEOPLE AND PROJECT MANAGEMENT - INCLUDING LEADING THE DESIGN AND BUILD OF A A\$120 MILLION RESEARCH SHIP.

PEOPLE PERSON

Toni Moate FCPA, CSIRO's director of national collections and marine infrastructure, had a humble start to her public service career.

After leaving school in Year 10, Moate got a job as a clerk with the Tasmanian Department of Education. One of her tasks was coordinating the annual supply process for all the public schools across Tasmania. This involved keeping records and filling ledgers on paper, slowly and laboriously.

"It was a lengthy process to make sure the individual subject requests met the school's budget," says Moate. "When I was asked to manage that as a relatively junior person, I could immediately see a better way.

"The process of adding everything up was massive. I suggested that we might use this new thing called 'Excel'. It would add everything up for us, rather than us having to transcribe figures into old ledger books. Many were against such new ideas and, in the end, I was only allowed to use Excel if I could find a way to print the tables out and glue them into the ledger books!"

STORY **CHRIS SHEEDY**
PHOTOS **MATTHEW SCOTT**

This simple experience, and many that followed, had an important developmental effect on the young public servant. She realised she had a knack for looking at a system and figuring out how it might work better. Moate often improved, or completely redesigned, tasks she was given. Soon, Moate was interested in doing more – in being someone who designs the machine, rather than being a small cog within it.

When she was 19, Moate enrolled in an associate diploma in business course and, five years of full-time work and part-time study later, she graduated with a major in accounting.

“I started at CSIRO in 1991, so took a year off studying to concentrate on the new job, but then went back to night-time study at the University of Tasmania as a mature student,” she says. “I did a commerce degree part-time for four years, and then went straight on to completing the CPA, so that I didn’t lose momentum.

“Along the way, I just embraced new opportunities. I loved them. I loved looking at a problem, thinking through the processes, embracing new technologies and figuring out how you could do it differently, more efficiently and more effectively. I think that is what has driven much of my career.”

THE BIGGEST DECISION OF ALL

Ironically, the role that has meant the most to Moate’s career so far was also the one she came closest to refusing. The decision-making process, she says, was one she’ll never forget.

Moate had been working in a relatively senior management position with the CSIRO, with the running of Australia’s largest blue-water research ship part of her portfolio. The ship was ageing and, under a government stimulus package, a budget of A\$120 million became available to build a new, larger vessel, which would become known as the *RV Investigator*.

A project of this size and scope cannot be managed by just anyone, so an international search was mounted to find the right project director.

At one stage, one of the CSIRO’s most senior leaders asked Moate if she was disappointed that she wasn’t being invited to apply for the role.

“I said, ‘Oh no, absolutely not!’,” she smiles. “There’s just no way I could do that job.”

The person chosen to lead the project was experienced marine engineer Graham Stacey.

“Graham was a traditional project manager. He was excellent technically and thought a lot about building a ship, but never gave much thought to the people side of things,” Moate says. “My goal for the project was not so much to build a ship, but to deliver blue-



“I TALK A LOT ABOUT VALUES AND PUTTING PEOPLE FIRST. I TRULY BELIEVE THAT, IF YOU HAVE A CHOICE BETWEEN TASK AND RELATIONSHIP, YOU MUST ALWAYS CHOOSE RELATIONSHIP.”

TONI MOATE FCPA, CSIRO

water research capability to our Australian researchers. So, I simply had a different lens.”

In the meantime, the organisation also quickly realised that the project required a second leadership role – an executive director to engage with government, the CSIRO board and other stakeholders, to decide on what equipment should be included on the *Investigator*, to dispose of the old ship and more.

“The project sponsor I’d been working with rang me on a Friday night, as I was about to go on leave,” Moate recalls. “He said, ‘Toni, I’ve just been asked why you are not doing this job’. I said, ‘I just don’t think I’m the right person’.”

However, she very quickly realised she’d made a terrible mistake and was missing out on one of the most amazing opportunities of her career.

“I was actually filled with a sense of grief,” Moate says. “I was about to lose something that had made me feel really alive for the past 18 months. Every week on the project something would happen that would





Above: *The RV Investigator*

Left: CSIRO conducts extensive research into marine life to further the understanding of diversity patterns in Australian seas and neighbouring waters.



➔ OPEN VIDEO IN A NEW WINDOW

remind me that I was completely outside my comfort zone. It would be a situation I'd never had to deal with before, and I loved it. I was grieving the loss of a great sense of purpose."

She rang the project sponsor back, and just like that the job was hers.

HUMANISING THE STAKEHOLDER PROCESS

Some leaders intentionally shy away from thorough stakeholder consultation, because often it can become a proverbial can of worms. With *RV Investigator*, Moate took the opposite approach. She was managing the design and build of a ship that would be used by researchers and scientists for several decades. The only way to get it right, she decided, was to bring everybody into the conversation.

"The *Investigator* had a very large stakeholder community," Moate says. "We exchanged over 3000 drawings, from a couple of pages to over 20 pages each. We had a shipbuilding team in Singapore, a coordinating point here in Hobart, and the entire Australian marine community engaged.

"I talk a lot about values and putting people first. I truly believe that, if you have a choice between task and relationship, you must always choose relationship. This was vital – the project was 24/7 for five years. Energy, commitment, passion and attention to detail were never negotiable." With that many stakeholders, disagreements and difficult conversations were common. Moate says the

best way to handle such tense situations is to encourage people to remain respectful, to allow everybody to have their say, and to listen deeply to all sides of the argument. When people feel they have been heard, they will be a lot more receptive to a decision, even if it goes against their wishes.

"We had a budget of A\$7.6 million for equipment," Moate recalls. "We went out to the community and asked what they'd like to have on board. There must have been 100 items that people wanted, and many of those we couldn't afford."

Representatives from the various research communities scored each piece of equipment and, Moate says, at the beginning the assumption was that specific communities would vote only for their own needs.

"We asked everybody to present a little bit about their requirements, and it was really interesting," she says. "There was one piece of gear, a marine gravity meter worth A\$500,000, wanted by one of the geoscience communities. It was so expensive they assumed it would never be approved.

"But when they presented, the oceanographic community realised this gear was also able to measure the height of the ocean, which can be used to measure sea level rise over time.

As a result, it was funded and is on the ship now. That epitomised the value of the consultation process, of people parking their biases and being galvanised around a community goal."



Left: Toni Moate FCPA at CSIRO Marine Laboratories in Hobart, Tasmania.

“FAMILY COMES FIRST. I HAVE LEARNED TO PLAN A LOT, TO MAKE SURE THAT WHEN THERE ARE IMPORTANT FAMILY THINGS, THEY’RE IN MY DIARY VERY EARLY, SO I CAN AVOID ANY CLASH.”

TONI MOATE FCPA, CSIRO



THE COST OF DEDICATION

Moate admits that her investment in the project affected her personal relationships and her family members.

The five-year shipbuilding process took her away from her husband and two daughters a great deal. She flew to Singapore more than 20 times. At one stage, Moate admits, she made the mistake of buying her daughters two Jack Russell Terriers purely out of a sense of guilt. “I think that was probably one of my worst decisions,” she laughs. “But actually, we do love those dogs!”

“One thing I always tell my team is that family comes first. I have learned to plan a lot, to make sure that when there are important family things, they’re in my diary very early, so I can avoid any clash.”

Moate also consciously prepares for family time, just as she would for a business meeting. She knows her goals – being fully present for her children, for example – and the things that might distract from those goals – such as her phone – and sets herself up

for success in advance. Over the years, Moate has learned to strike the right balance between wellbeing and work, becoming a better leader and public servant in the process. She has been honoured with awards including a place on the Queen’s Birthday Honours List and the title of Telstra Tasmanian Business Woman of the Year.

However, she is still chasing new challenges. “A lot of recent career focus has been on the ship,” she says.

“But in my new role I’m now also responsible for six national research collections and 15 million specimens.

“We’re currently constructing a new building in Canberra, a A\$70 million project, where we’ll store various specimens, including dead birds. When I first found out about the birds I just laughed and thought, goodness, how am I here? How have I gone from shipbuilding to storing dead birds? I’m not sure, but it all comes from great decisions, and I just love it.” ■



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AT A GLANCE

■ According to the Australian Taxation Office, more than 600,000 taxpayers have invested in crypto assets in recent years, and many have failed to declare their capital gains.

■ The technology that supports cryptocurrencies is relatively new, but the tax laws that apply are well established under capital gains tax provisions for cryptocurrency investors.

■ Australia is supporting work under way at the Organisation for Economic Co-operation and Development to develop a tax transparency framework for crypto assets and digital money products.




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ATO factsheet on
crypto assets



STORY GARY ANDERS

THE AUSTRALIAN TAXATION OFFICE IS WORKING HARD TO SHATTER THE MISCONCEPTION THAT CRYPTOCURRENCY GAINS ARE EXEMPT FROM TAX OR TAXABLE ONLY WHEN CASHED BACK INTO DOLLARS.

TAXING CRYPTO



On paper, the capital gains are nothing short of staggering.

Over the full course of the 2020-2021 financial year, anyone with a stake in the cryptocurrency Bitcoin would have seen the value of their holding surge by more than 250 per cent.

After starting the last financial year at about US\$9146 (A\$12,409), the closing price for one Bitcoin on 30 June 2021 was US\$35,040 (A\$47,544).

Yet, savvy Bitcoin traders could have achieved a much higher cash profit of more than 600 per cent last year.

That's the gain based on having bought at the financial year's low point of just over US\$9000 (A\$12,000) in July 2020 and then having sold at the crypto's peak of almost US\$65,000 (A\$88,000) in mid-April 2021.

Even better than that, those holding another cryptocurrency called Ethereum could have booked

a profit of more than 600 per cent as its trading price soared from US\$226 (A\$306) to more than US\$2200 (A\$2985) over the last financial year.

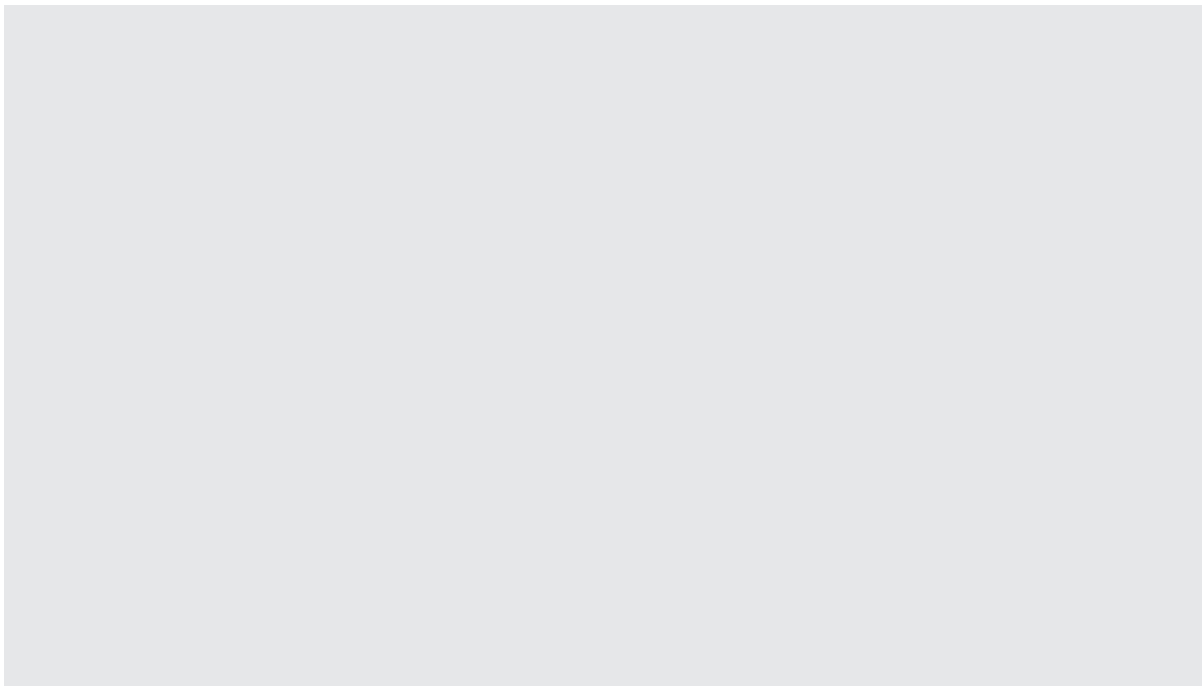
However, there is one big catch – the capital gains tax (CGT).

Generally, as an investor, if you buy, sell or swap for fiat currency, or exchange one cryptocurrency for another, the transaction is subject to CGT and must be reported.

Cryptocurrency gains are treated in the same way as gains from other investments, such as shares.

The Australian Taxation Office (ATO) is concerned many taxpayers believe their cryptocurrency gains are tax free or only taxable when their holdings are cashed back into Australian dollars. That's not the case.

This is the message the regulator wants to get through to taxpayers, as well as to accountants and other finance professionals providing tax advice to individuals and businesses.



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CRYPTO CRACKDOWN

The ATO estimates more than 600,000 Australian taxpayers have invested in crypto assets in recent years, some of whom have failed to declare their capital gains.

“While it appears that cryptocurrency operates in an anonymous digital world, we closely track where it interacts with the real world through data from banks, financial institutions and cryptocurrency online exchanges to follow the money back to the taxpayer,” warns Tim Loh, ATO’s assistant commissioner.

The ATO has had a data-matching program in place to track cryptocurrency transactions since early 2019, and receives bulk records from Australian-designated service providers as part of the program.

Data provided to the ATO includes cryptocurrency wallet information, including names and addresses, bank details and transaction information in relation to purchases, sales and transfers.

The ATO also uses information collected from international tax jurisdictions, including Common Reporting Standard and *Fair and Accurate Credit Transactions Act* in the US, as well as data collected through the double tax agreements, to identify when cryptocurrency transactions are converted to a foreign currency or repatriated back to Australia.

“This year, we have written to about 100,000 taxpayers with cryptocurrency assets explaining their tax obligations and urging them to review their previously lodged returns,” the ATO says.

“We also expect to prompt more than 500,000 taxpayers as they lodge their 2021 tax return to review their cryptocurrency transactions and correctly report any capital gains or losses.”

ADVICE ON CRYPTO ASSETS

Even though the technology behind cryptocurrencies is innovative and new, the tax laws that apply are well established under capital gains tax provisions for cryptocurrency investors.

Registered tax agents can help clients to understand that cryptocurrencies purchased as a financial investment are considered to be a form of property and therefore an asset for CGT purposes.

CGT events are usually characterised by a change in ownership. Like other investments in assets, ordinary income may also arise from certain cryptocurrency transactions, such as staking rewards and airdrops.

There are other circumstances where the ordinary income rules apply, and this includes where the client is conducting a cryptocurrency trading business. In this case, the trading stock rules apply, and not the



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Above: Tim Loh, Australian Taxation Office

CGT rules. Proceeds from the sale of cryptocurrency held as trading stock in a business are ordinary income, and the cost of acquiring cryptocurrency held as trading stock is deductible.

This is much the same treatment that would apply to a person who is carrying on a business of share trading.

There are also situations where an isolated cryptocurrency transaction or series of transactions can give rise to ordinary income if the transaction was entered into with a purpose or intention of making a profit, and the transaction is part of a business operation or commercial in character.

"We also recommend that agents access pre-fill reports available through online services for agents," the ATO says. "These reports can help agents update their tax time questionnaires to include a question that will prompt their clients to disclose their crypto activities to the agent, including buying, selling and other investment activities."

"It's also important for agents to include capital losses in the tax return, so their clients don't forget to apply these losses when they make a future capital gain."

James Tng, a partner at accounting firm Moore Australia, says it is the responsibility of tax agents to ensure the returns being lodged on behalf of clients are correct.

"There is a bit of risk for accountants out there, where clients choose not to be forthcoming. In the eyes of the ATO, it's tax evasion by not declaring the income on cryptocurrency gains."

Tng adds that accountants should explain the tax position on cryptocurrency gains and losses to clients, including the need to revalue assets in Australian dollars, which may also lead to currency gains.

Accountants should also be across how cryptocurrency investments apply for self-managed super funds (SMSFs).

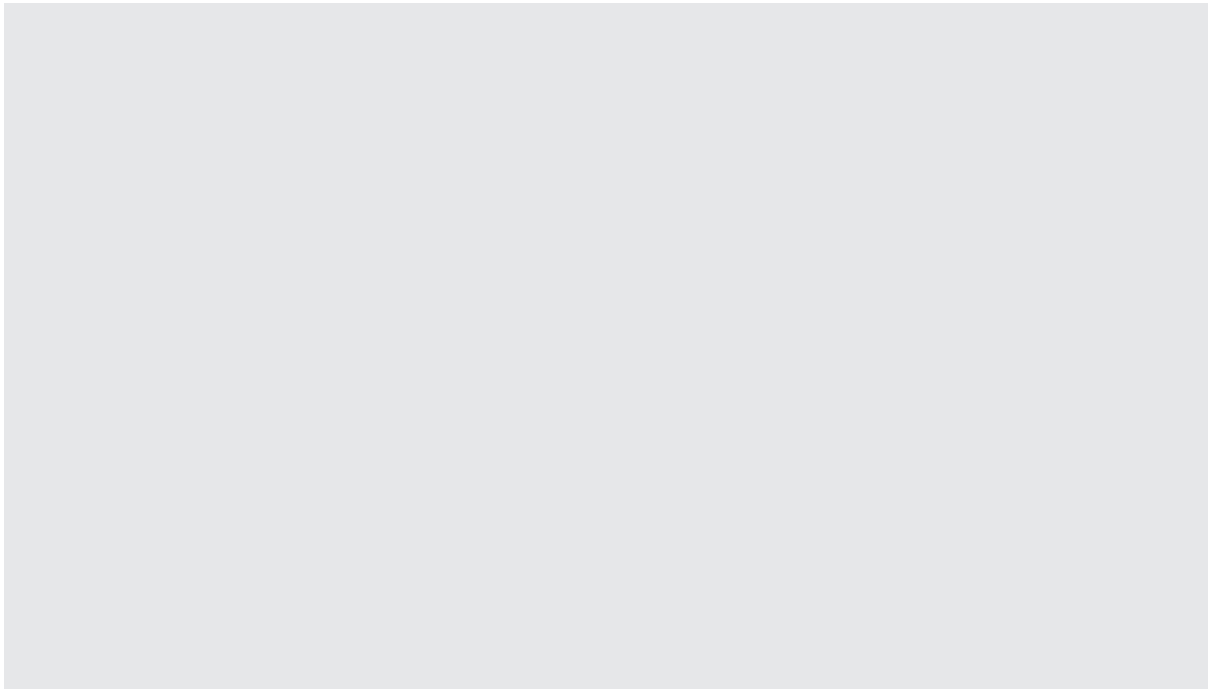
While SMSFs are not prohibited from investing in cryptocurrencies, the investment must be allowed for under the fund's trust deed, be in accordance with the fund's investment strategy and comply with the *Superannuation Industry (Supervision) Act* and regulations.

The advice from the ATO is for cryptocurrency traders to keep accurate records, including dates of transactions, the value in Australian dollars at the time of the transactions, what the transactions were for and who the other party was, even if it's just their wallet address.

Similar to record-keeping requirements for other types of income and deductions, bank statements generally do not include all the required information. Instead, it's best for cryptocurrency traders to keep



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article on the
accounting
implications for
crypto assets**



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records as they go, saving copies of receipts and even using spreadsheets or crypto accounting software.

SEEKING DIGITAL CLARITY

The taxation of cryptocurrency transactions in Australia is based on existing taxation law, which is consistent with countries such as the US, Canada, the UK and European countries that have not introduced cryptocurrency-specific taxation legislation.

Australia is supporting work underway at the Organisation for Economic Co-operation and Development to develop a tax transparency framework for crypto assets and digital money products.

The proposed framework seeks to address the risks associated with the lack of transparency surrounding these products.

Joni Pirovich, special counsel on tax, blockchain and digital assets at law firm Mills Oakley, says there needs to be a taxonomy of different types of digital assets and what the high-level legal and tax considerations are for both issuers and taxpayers.

“We think that is the immediate approach required and that resources should be dedicated to that task and continuing that task, because the space is emerging quickly,” she says.

Pirovich recently led a submission on behalf of the Digital Law Association to the Senate Select Committee on Australia as a Technology and Financial Centre.

“It is far beyond accountants, lawyers and financial planners to stay informed about this world.

“I’m a specialist and spend an exorbitant amount of time keeping up to date with what’s happening,” Pirovich says.

“If there was a common resource that lawyers and accountants could access that’s been prepared through a multi-agency working group that was contributed to by specialists in industry, I think that will actually help bring up the quality of accounting and tax advice and compliance across Australia.”

REGULATING CRYPTOCURRENCIES

Bitcoin came first, but there are now hundreds of cryptocurrency assets around the world that are actively traded by investors.

The job of regulating them in Australia from a product perspective falls squarely into the realm of the Australian Securities and Investments Commission (ASIC).

“Essentially, if a crypto asset has features that look very similar to the features of a managed investment scheme, it is a financial product,” says Hema Raman, senior lawyer and crypto asset coordinator at ASIC.



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cryptocurrency**



Above: Joni Pirovich, Mills Oakley

Left: Hema Raman, Australian Securities and Investments Commission

“THE BROADER UNIVERSE OF CRYPTO ASSETS IS NOT CLEAR CUT – WHAT PERCENTAGE FALLS CLEARLY IN ASIC’S REMIT OR CLEARLY OUT, OR FALLS SOMEWHERE IN THE MIDDLE? THE REALITY IS THAT THE CLARITY THAT’S NEEDED HERE IS A MATTER FOR GOVERNMENT.”

HEMA RAMAN, AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

“The issuer will need to have the relevant financial services licence.

“Then, any market or platform that trades that particular crypto asset will need to have an Australian market licence.

“Our position is that it’s the responsibility of the particular platform to determine whether the crypto asset trades as a financial product, and they need to come to us for the relevant licences.”

Raman says this is because crypto assets differ greatly, and their functions and features can completely change over time.

She says the people who are closest to a crypto asset are the ones who need to make the call on what licences they need to have approved by ASIC.

In addition to being able to invest on currency trading platforms, Australians may soon be able to access exchange-traded products (ETPs) that provide retail investors with exposure to crypto assets.

ASIC has issued a [consultation paper \(CP 343\)](#) seeking feedback on ETPs that have crypto assets as their underlying assets.

Key areas of focus for ASIC are identifying crypto assets that are appropriate underlying assets and establishing good practice in respect of pricing, custody, risk management and disclosure. “Market operators and product issuers need to be mindful of meeting their

existing regulatory obligations when creating, operating and allowing such products, so they can be facilitated in a way that maintains investor protections and Australia’s fair, orderly and transparent markets,” ASIC says in a [statement](#).

GREY AREA

Raman notes that there is a wide range of crypto assets, some of which are financial products that ASIC regulates, and others that are not. “It is a very large ‘grey area’. Exchange-traded products are clearly financial products and come within ASIC’s remit,” she says.

“But the broader universe of crypto assets is not clear cut – what percentage falls clearly in ASIC’s remit or clearly out, or falls somewhere in the middle?

“The reality is that the clarity that’s needed here is a matter for government.”

Raman says the consultation paper on ETPs (including exchange-traded funds) is to ensure ASIC identifies the right standard of practice required.

“This is a ‘live’ question for us, and it has been prompted by the amount of interest we’ve seen in Australia,” she says.

“Our interest is to put sufficient guard rails around it. Being a product that provides exposure to crypto assets on a regulated platform has a field of protection as compared to accessing cryptos directly.” ■

■ Graham Talbot FCPA joined Atlas Corporation and Seaspan as joint CFO in January 2021. Talbot now hopes to grow a recent acquisition, APR Energy, into a global player in the renewable energy sector.

■ Previously, Talbot was CFO at a state-owned Abu Dhabi corporation, and prior to this he was based in Copenhagen with Maersk.

■ Talbot was educated at the University of Canberra and has an MBA from the Melbourne Business School. He is a fellow of the Governance Institute of Australia and a fellow of the Energy Institute.

AS TOLD TO ADAM COURTENAY PHOTOGRAPHY JIMMY JEONG

VALUE COMMUNICATION

VANCOUVER-BASED GRAHAM TALBOT FCPA IS JOINT CFO OF ATLAS CORPORATION AND SEASPAN. HE HIGHLIGHTS THE IMPORTANCE OF STRONG COMMUNICATION IN CONVEYING A BUSINESS'S VALUE TO STAKEHOLDERS.

MY ROLE DEMONSTRATING VALUE

Atlas Corporation is an asset management company with two platforms, maritime and energy. We recently acquired APR Energy, which is a world leader in fast-track energy solutions.

Our maritime subsidiary, Seaspan, is the largest container ship lessor in the world – double the size of our nearest competitor – so a lot of my time is spent with investors, analysts and debt holders.

We are somewhat unique and growing rapidly in a changing market and therefore need to effectively communicate our differentiation and the value it adds. We are also targeting an investment-grade credit rating, which requires considerable work to position the business and its capital structure accordingly.

My role is to match the commercial side of the business with the financial – how do the growth prospects look, how are we evolving the business and how does the balance sheet support all of that?

I spend much of my time explaining our business model to the market and demonstrating how we create value.

We are also in an acquisition phase, investing about US\$4.7 billion (A\$6.4 billion), and we need to make that case, its execution at each phase and communicate how the

delivery of the value is being de-risked through the entire execution phase.

The other part of my role is about how we run the business internally, which is about employee culture, organisation design, process efficiency and, key to us, scalability. Accordingly, we have very active digital and business transformation programs to support this.

GAME CHANGERS LEARNING FROM CHALLENGES

Between 2003 and 2008, I was working for Shell in Kazakhstan on a US\$50 billion (A\$68 billion) oil development project. It was an extremely difficult regulatory and operational environment. Every day presented new challenges and, given the scale of the project, the challenges were always big ones.

This type of environment either breaks you or makes you stronger. We were operating in a joint venture company made up of several very large, successful global companies. Although this brought a lot of horsepower, it also required building specific skills to manage and navigate multiple cultures, both geographic and organisational.

It was a tough time, but I learned so much about all aspects of our business, a lot about myself and built lifelong relationships through the experience.

CHALLENGES STAKEHOLDER ENGAGEMENT

We operate a large fleet of ships, with about 5000 staff around the world.

The market tends to bucket us together with liner companies, which are susceptible to short-term freight rates – which we are not, we operate the vessels on their behalf.

Investors and analysts wrongly think we are susceptible to market volatility when, in actual fact, the vessels are rented at a fixed rate on long-term contracts, up to 18 years. The challenges relate to explaining this to people.

Always listen, because if investors or analysts have unanswered questions, their ears stop working.

If you want to convey a message, you need to prepare the audience to receive that message. If not, you will not get the desired impact.

One of my favourite quotes is from Charles Mingus, who said, “Making the simple complicated is commonplace; making the complicated simple, awesomely simple, that’s creativity.”

This applies to so many aspects of the CFO portfolio and is a constant guide that I use to assess both my decision-making and communication, and that of my team. ■

■ Revenue and profit:
Guidance for 2021
is revenue of US\$1.5
billion (A\$2 billion),
with EBITDA at US\$930
million (A\$1.3 billion).

■ CFO's team: 120



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LESSONS LEARNED AND BEST ADVICE

- If you want to be heard, make sure the other party is ready to listen. This requires careful planning and is applicable to all levels of communication. Complex is easy; simple requires deep understanding and creativity, and is hard work.
- Seek out high-impact career opportunities to accelerate learning and development. Getting out of your comfort zone stimulates growth, so take conscious steps to make it happen. Find a higher purpose to drive delivery and performance – it's critical for self and team.
- Business and work should be enjoyable. As a leader, how will you create an environment for your team to grow, be challenged, deliver and have fun? This is the best part of the job!
- Demystify financial and management reporting and create simple stories that are easy for people to understand. Many of the answers to problems are obvious, but execution is not – the "How" is often more important than the "What"!



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WELLBEING AS A KPI

ONE OF THE SILVER LININGS OF COVID-19 HAS BEEN STAFF WELLBEING MOVING FROM A FRINGE CONCERN FOR EMPLOYERS TO BECOMING A FOCAL POINT. IS IT TIME FOR MORE WORKPLACES TO DEMONSTRATE THEIR STATED COMMITMENT TO CARING FOR THEIR PEOPLE BY ADOPTING A KPI BASED ON STAFF WELLBEING?

STORY THEA O'CONNOR

With the new understanding that employee wellbeing is a critical factor influencing which organisations will survive our new uncertain normal, many companies around the world have made it their top concern.

As workplaces reset their norms to adapt to different operating conditions created by the pandemic, now is the perfect time to bridge any gaps between rhetoric and reality.

One way to do that is to adopt a wellbeing key performance indicator (KPI), reported to the board and based on the mental and physical health of employees.

"A wellbeing KPI is a good idea that is picking up significant speed right now," says Wolf Kirsten, co-founder of the Global Centre for Healthy Workplaces, "but we have a long way to go for this to become a mainstream practice."

Jeff Kennett, former premier of Victoria and former chair of Beyond Blue, has long been a proponent of using such a measure to garner commitment from leaders, telling *The Australian* newspaper as far back as 2016, "that will focus their minds more than anything else".

Leadership support is, indeed, critical to achieving staff wellbeing. When an organisation's wellbeing strategy has strong leadership support, it is 4.2 times more likely to report significant improvement in employee health risks.

MEASURES OF WELLBEING

Selecting what measures should form the basis of a wellbeing KPI can prove challenging.

A workplace could attempt to measure employee wellbeing directly. Given that an individual's health and wellbeing are influenced by many factors, not just work, an organisation may understandably balk at being held accountable for this.

However, tracking trends in wellbeing over time could still provide useful insights that would make it easier for employers to care for staff, when and where help is most needed.

WHAT ARE THE BEST INDICATORS TO USE?

Kirsten points out that wellbeing includes many dimensions – physical, mental, emotional and spiritual – defying definition by a single scale. The primary goals and objectives of a workplace's wellbeing strategy should

help determine which of the many metrics available would be the most suitable.

"A KPI that many organisations measure is employee engagement, and engagement is very much related to wellbeing," he says.

Advances in artificial intelligence (AI) and data analytics are making it much quicker and easier to collect information about employee wellbeing and generate insights. However, no matter how impressive the AI, workers still have to be willing to offer up their private thoughts and feelings.

When The Data Analysis Bureau, a UK-based data science agency specialising in machine learning and AI solutions, was testing its recently released mental wellbeing index for workplaces, it found that the biggest challenge was allaying workers' fears about privacy and how the data would be used.

"It was critical to reassure employees that the data collected was aggregated and anonymous, so the organisation had no ability to identify individuals," says Eric Topham, The Data Analysis Bureau's co-founder and CEO. "When workers learned that the data was only accessible

STAFF WELLBEING IS GOOD FOR BUSINESS

Companies that create a culture of health by specifically focusing on the wellbeing and safety of their workers outperformed their competitors in the stock market by a factor of 3:1 from 2000 to 2014, according to a 2016 study published in the *Journal of Occupational and Environmental Medicine*.



Above: Wolf Kirsten, Global Centre for Healthy Workplaces

to a select number of people outside of line management, they were more receptive.”

The index developed by Topham’s team measures employee mental health using a five-question survey. Employees are asked to take the survey once a fortnight, using a stress and mental wellbeing app. Once per month, they are also asked to select an emoji that best represents how they feel at the time. This allows an organisation to keep its finger on the pulse of how employees are faring and direct individual employees to relevant resources and support contacts, according to their survey results.

IF NOT WELLBEING, THEN WHAT?

An alternative to measuring wellbeing itself is measuring workplace behaviours or job conditions known to influence employee wellbeing.

The wellbeing behaviours of leaders is one possible focus, as research shows they influence employees’ health behaviours, participation in wellness initiatives, job satisfaction, stress levels and safety, says Katrina Walton, founder and director of workplace consultancy Wellness Designs.

When a leader takes a break for lunch or leaves work on time, for example, this not only supports their own wellbeing, but also sends a clear signal to their staff that these behaviours are not only acceptable, but also encouraged.

Safe Work Australia has identified several other factors that affect the psychological

wellbeing of employees, including control over your work, supportive relationships, rewards and recognition, and role clarity. A KPI built around these would help workplaces fulfil their obligation to create a psychologically safe workplace.

Supportive relationships at work have proven to be an especially potent buffer against workplace stress, but how do you turn that into an actionable, quantifiable KPI?

One way is to require managers to ask about the health and wellbeing of each staff member when conducting a performance review. Providing guidance for managers on how to do this, through mental health training for example, can help alleviate any concerns by managers that they have to be a counsellor before opening up the conversation.

KEEPING IT SIMPLE

Given the complexities involved, it is not surprising that some organisations already using a wellbeing KPI are keeping it simple by basing it on participation rates.

“While it’s not a measure of success, it makes sense to use this measure to begin with,” says Kirsten. “If no one is participating in your wellbeing program, it won’t have any effect.”

Monash University, winner of the 2016 Global Healthy Workplace Award, has been using a university-wide wellbeing KPI since 2009. It measures individual participation in a single wellbeing event over 12 months. The target had

IF A PUBLIC COMPANY COLLECTS DATA ON STAFF WELLBEING, SHOULD IT BE REPORTED ON EXTERNALLY?

Wolf Kirsten from the Global Centre for Healthy Workplaces is not a fan of the idea. “It’s very sensitive and certainly not fair to compare companies on that basis.” He gives the example of a tech company that employs lots of young people, which will likely have a much better health profile than that of a manufacturing company that employs older people, due to the age-related and socio-economic differences in their employee population, quite apart from the workplace factors.



Above: Dr Vicki Ashton,
Monash University

TIPS FOR SUCCESSFULLY EMPLOYING A WELLBEING KPI:

Ensure health and wellbeing are written into your workplace's business strategy, so that the wellbeing KPI has a clear link to business goals.

Wait until you have some runs on the board with your wellbeing program before introducing a KPI. This allows you to build relationships and establish trust with staff first.

Invest in a communication strategy that explains the value of having a KPI – namely, to help the organisation fulfil its responsibility to care for staff and create a healthy work environment. Otherwise, it may be seen as a negative form of control and monitoring, and generate backlash.

Consult staff when choosing KPI measures.

Make the KPIs realistic, particularly for time-poor middle managers.

If collecting personal wellbeing data, ensuring privacy and anonymity are paramount.

Don't look at the results in isolation. Investigate low wellbeing KPI hotspots to help identify causes in order to offer targeted support.

If the same wellbeing KPI is to be applied equally across the organisation, all staff need to have equal access to the wellbeing programs and services.

originally been set at 5 per cent in order to get some easy runs on the board, then increased to at least 30 per cent of staff each year. Program activities relate to physical activity, general health, mental health and nutrition. Monash has achieved its target for the past six years.

Reported at the highest levels of the university – all the way to the chief operating officer and the vice-chancellor – the KPI has proven very valuable in raising the profile of staff wellbeing, according to Dr Vicki Ashton, Monash University's chief medical officer and occupational health physician.

"It's helped create the cultural shift we wanted from the outset, that of strengthening the importance of health and wellbeing in the workplace for our staff," says Ashton.

The university's wellbeing KPI is also reported to the faculties and divisions each quarter.

"If the wellbeing KPI is low in a certain area, we approach that area and ask what they need and how we can best support them," says Ashton.

"We actively seek staff feedback and are looking to include other measures, such as opportunities for staff to come together."

Walton has also seen participation rates used as a wellbeing KPI in some of her former in-house wellbeing roles. "In one instance, the wellbeing KPI was linked to salary bonuses for senior leaders and middle

managers, according to the participation rates of both themselves individually and their teams," recalls Walton. "How leaders and managers were supporting the health and wellness of their team also formed part of their performance review discussion."

Another KPI Walton had used involved a target for managers to offer their staff one department-based wellbeing initiative each quarter. "We helped ensure that the initiatives offered were based on staff need, and we gave the managers resources and a budget to help them succeed," says Walton.

Successful adoption of a wellbeing KPI takes work, Walton says.

"It took a lot of advocacy and relationship building to help ensure it was well received. Communicating the benefits – to help create high-performing teams – was key."

Pressure on workplaces to adopt wellbeing KPIs will continue to build, says Kirsten, given concerns about rising rates of mental health conditions, more focus on organisations' social responsibility and growing demand for environmental, social and corporate governance reporting.

Whether wellbeing KPIs can achieve their true purpose of caring for staff will depend on how they are framed, explained, executed and supported. If they are owned by employees at all levels, they have the potential to be powerful enablers of creating workplace cultures that truly care. ■



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a report
on retirement
outcomes for older
single women



CONTRARY TO THE NOTIONS OF HIGHER EARNINGS AND DISPOSABLE INCOME BASED ON ASSUMPTIONS OF AN UNINTERRUPTED CAREER, FINANCIAL SECURITY IS AN ONGOING CHALLENGE FOR OLDER SINGLE WOMEN WITHOUT CHILDREN.

THE FREEDOM PARADOX

STORY MEGAN BREEN

There are many misconceptions about women without children – they have more time, more disposable income, their careers are uninterrupted and they are freed from caring duties. Their higher earnings over their career mean they glide through retirement cushioned by comfortable nest eggs.

This might be the case for some, but new research shows the opposite is true in many cases, raising several questions about how this cohort could be better supported in retirement.

Security in Old Age for Older Single Women Without Children, co-authored by researchers from the University of Sydney, the University of New South Wales and Curtin University, and supported by CPA Australia, analyses data from the national *Household, Income and Labour Dynamics in Australia (HILDA) Survey*, primarily looking at 4000 women aged 45 and older who are single without children. This is supplemented with online focus group sessions with older single women without children, as well as phone

interviews with accountants and financial planners about the support currently available.

The study represents the first detailed research into this cohort, according to lead researcher associate professor Myra Hamilton, principal research fellow at the ARC Centre of Excellence in Population Ageing Research at the University of Sydney.

UNFAIR PENALTY

While much research is being conducted into improving the economic security of single older women, most of it focuses on the “motherhood penalty”, a term used to describe the effects of having and raising children on women’s labour market participation.

“Very little is actually known about older single women without children and how they’re going when it comes to economic security in later life,” Hamilton says. “Australia’s population is ageing, and women are much more likely than men to live in poverty in old age, especially single women. We wanted to try and understand what’s going on for women who don’t

“AN ACCOUNTANT IS THE MOST IMPORTANT PERSON IN ANY WOMAN’S LIFE. I COULD NOT HAVE GOT THROUGH MY FINANCIAL SITUATION WITHOUT AN ACCOUNTANT. THEY ARE AS IMPORTANT TO YOU AS YOUR DOCTOR, AND THEY WILL ADVISE YOU BETTER THAN ANY FINANCIAL ADVISER AT A BANK.”

DONNA WARD, AUTHOR

have children – to what extent do gender inequalities persist when you remove children from the equation?”

Author and editor Donna Ward is one of the many older women without children who has experienced the assumptions and expectations about women like her first-hand.

“I found there was an expectation for me to care for family members. I was not only expected to care for my mother, which, incidentally, I wanted to do, but my sister also expected me to look after her son while my mother was ill. I disavowed her of that opinion,” says Ward.

“We talk about the ‘motherhood penalty’ and the consequences of women leaving work to care for a family. When an older woman leaves work to care for a parent or another family member, it’s very hard for her to get back into the workforce.

“I think that needs to be recognised and compensated for. I’m calling it the ‘spinster penalty’,” says Ward.

MYTH BUSTING

The report addresses the assumptions faced by this group and offers recommendations to address policy gaps and structural issues.

“The first misconception this report challenges is that older single women without children have no absences from their careers because they don’t have childcare responsibilities,” Hamilton says.

“We found that, while not having children sometimes created employment opportunities, two-thirds of the women in our online community had experienced a long involuntary career interruption because of ill health, redundancy or care responsibilities for ageing parents – and with that comes loss of income and future financial security,” Hamilton says.



Above: Donna Ward, author

The report has also identified concerns about how the women are going to have their own care needs met as they age.

“One of our recommendations was really about how we can improve the aged care system to support people who don’t have family around them to continue living in the community,” Hamilton says.

“The women were extremely worried that without a spouse or adult children of their own they wouldn’t have any informal support to help them keep living in their home.”

The researchers have also found that women over 45 without partners and children are more likely to face financial hardship later in life, with single women having lower household incomes, lower personal superannuation and lower household net wealth than those with partners.

“While many participants reported that not having children increased their earning capacity early in their careers, this did not translate into better financial security later in life. Living on a single income hampers their ability to save and set aside money for voluntary superannuation contributions and home deposits,” says Hamilton.

HOUSING CHALLENGES

Homelessness is another serious issue. Hamilton says that, while some women have indicated they had successfully saved for a home deposit, their mortgage applications

were rejected because banks considered their reliance on a single income too risky.

The women who have been successful in obtaining a mortgage are worried about being able to keep up with repayments, according to the report.

“With a lack of downsizing opportunities and a shortage of cheap housing, it created a strong sense of insecurity among participants, with one in five participants renting out rooms or listing their homes on Airbnb,” says Hamilton.

Among a host of policy recommendations set out in the report, there is a call for more secure and affordable housing options and better access to financial products and services for older women.



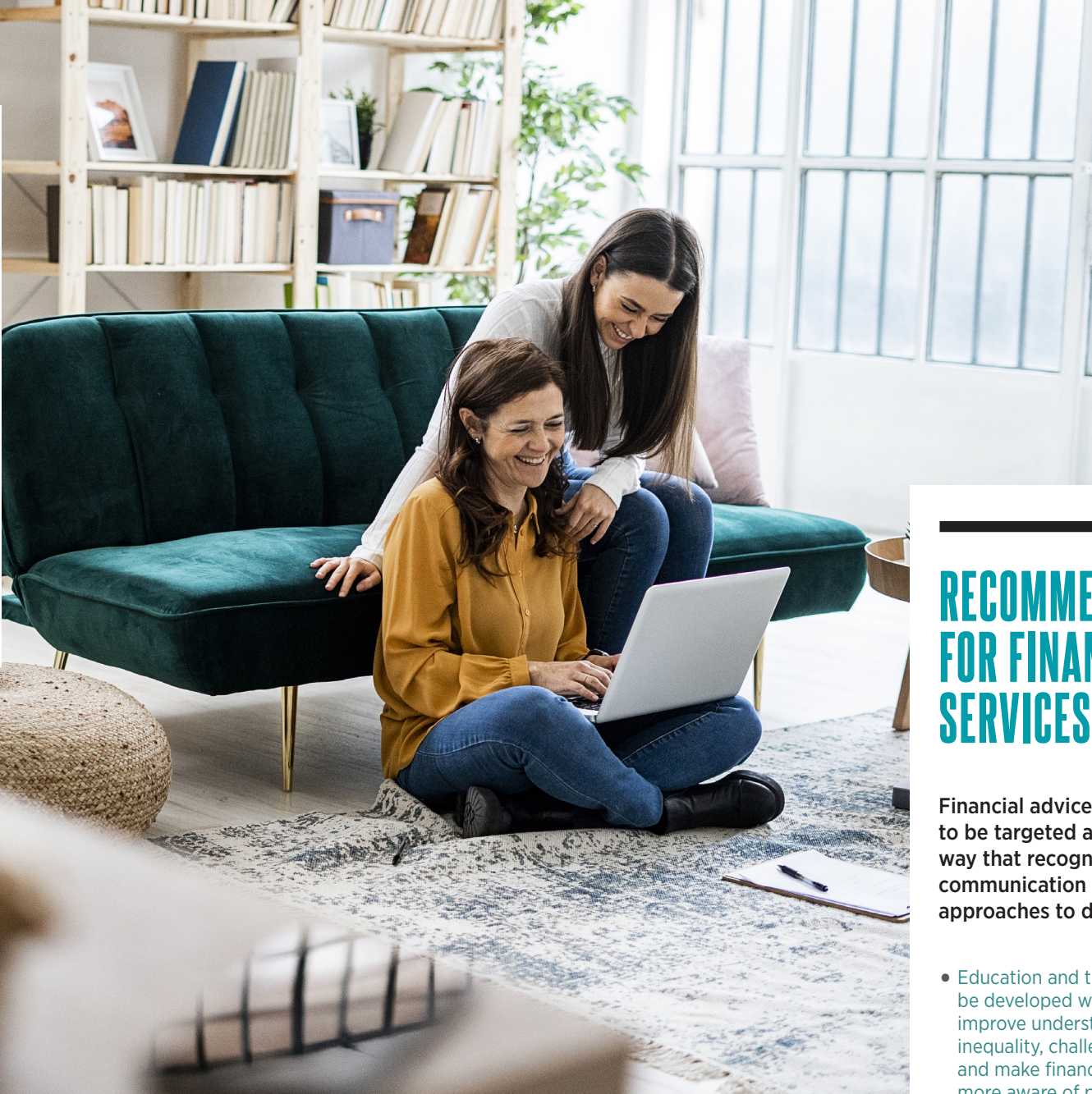
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RECOMMENDATIONS FOR FINANCIAL SERVICES

Financial advice for women needs to be targeted and delivered in a way that recognises different communication styles and approaches to decision-making.

- Education and training programs should be developed within the industry to improve understanding of gender inequality, challenge gender stereotypes and make financial service providers more aware of personal biases.
- Financial advisers should work with other organisations providing services to older women to develop a “warm” referral network.
- Services should be delivered through multiple access points and formats, including digital, but also hard copy and face-to-face.
- Access to financial services for lower income and low net wealth women should be improved and kept affordable.
- Financial advisers should be educated to recognise and understand who may be vulnerable to financial abuse and implement protocols similar to those applied where elder abuse is suspected – for example, providing opportunities for the client to speak privately and ensuring that consent is fully informed and freely given.

“For example, Commonwealth Rent Assistance should be reviewed, so that it better meets the needs of those experiencing housing stress.”

Homelessness among older women is also a key area of focus for Dr Kay Patterson AO, Australian age discrimination commissioner. She says older women have been identified as the fastest-growing group of homeless people in Australia in recent years, due to several risk factors including being single, renting, living alone and having a lack of family support.

A 2019 Australian Human Rights Commission report has “found that homelessness can occur quite suddenly, due to a single event or change in circumstance

such as major illness, eviction or job loss, or it can result as a combination of factors over time, with factors including financial insecurity, relationship breakdown and the rising cost of housing contributing”, says Patterson.

Many older women experience homelessness for the first time later in life, after leading conventional working lives.

“The image of homelessness in Australia is still often of men who are sleeping rough. It’s important to continue to raise awareness of older women’s homelessness in Australia, as it remains quite hidden,” Patterson says.

“It is a complex issue and requires intersecting, flexible solutions at every level, on which all levels of government, non-

government organisations and the private sector need to collaborate.”

COUNTING THE COSTS

Financial security is an uphill battle for many women.

On average, women in full-time work earn less than men. With Australia's national gender pay gap at 13.4 per cent, this equates to men earning nearly A\$25,534 more per year than women in equivalent full-time employment.

The compound effect of this income inequality means women currently retire with 47 per cent less superannuation than men.

Sandra Buckley, CEO of Women in Super, also points to the fact that one in two working women earn an annual salary of A\$40,000 or less, so many are ineligible for tax concession benefits in superannuation.

“They’re in the lowest income tax percentiles. This means they rarely, if ever, benefit from the superannuation tax concessions because they do not earn enough, nor do they have additional money to put away,” she says.

“This may be because they work part-time due to family responsibilities or because they struggled to re-enter the job market after a period of leave.

“Caring impacts every female, irrespective of whether they actually have children. As a country, we fail to take these issues into account. We do not recognise the economic benefits to the country of this unpaid caring work, but instead it is women who carry the financial burden in terms of job and economic insecurity.

“The policy question is, how can we redistribute tax concessions more fairly and compensate for caring?” says Buckley.

Hamilton also points to systemic structural issues that work against single women that need to be addressed.

“There are some structures within the superannuation system that couples can benefit from and single people can't.

“Many couples find ways of sharing superannuation – partnered people, for example, can benefit from things like the low-income spouse offset.”



“CARING IMPACTS EVERY FEMALE, IRRESPECTIVE OF WHETHER THEY ACTUALLY HAVE CHILDREN. AS A COUNTRY, WE FAIL TO TAKE THESE ISSUES INTO ACCOUNT.”

SANDRA BUCKLEY, WOMEN IN SUPER



“THERE ARE SOME STRUCTURES WITHIN THE SUPERANNUATION SYSTEM THAT COUPLES CAN BENEFIT FROM AND SINGLE PEOPLE CAN'T...PARTNERED PEOPLE, FOR EXAMPLE, CAN BENEFIT FROM THINGS LIKE THE LOW-INCOME SPOUSE OFFSET.”

ASSOCIATE PROFESSOR MYRA HAMILTON,
UNIVERSITY OF SYDNEY

SEEKING HELP

Financial advisers and accountants can be key advocates in the battle to address inequalities for women, says Hamilton, adding that many participants in the research note that gender norms are imbued in some of the services.

“Women reported a series of barriers that prevented them from accessing the financial assistance they needed. This included a lack of trust in financial services and a lack of tailored services. They felt dismissed, or they felt that there were judgements being made about their financial capabilities because they were women.”

Buckley agrees that financial service providers are in a unique position to identify areas of risk for women and help them develop a plan to allow them some dignity in older age.

“For accountants and financial advisers, it really is about considering the options from a female perspective – making sure information is readily accessible and female-centric. Also, encouraging women to look at their investment and retirement plans and remembering that it is never too early to start, but it is also never too late to think about retirement planning.”

Hamilton says better coordination between services assisting older single women is a good place to start.

“What would be really useful is if financial advisers could work with some of the other organisations that are helping women during transition periods – for example, if they're accessing relationship support after a divorce, they could point them towards affordable options for financial advice that can help women manage the post-separation process,” says Hamilton.

For Ward, financial advice has been a key instrument in helping her navigate her future.

“An accountant is the most important person in any woman's life. I could not have got through my financial situation without an accountant. They are as important to you as your doctor, and they will advise you better than any financial adviser at a bank.

“My advice to young women – to any woman – is to buy a house, invest in your super and to get an accountant.” ■



LENDING SOLUTIONS FOR THE SELF-EMPLOYED

RedZed 15
Loans for the self-employed YEARS

FOR THE PAST 15 YEARS, MORTGAGE LENDER REDZED HAS GIVEN SELF-EMPLOYED AUSTRALIANS THE FINANCIAL SUPPORT THEY NEED TO GET AHEAD.

SELF-EMPLOYMENT IS A POPULAR OPTION for many Australians. Data from the Australian Bureau of Statistics reveals there are currently 2.1 million self-employed workers across the country – a figure that is likely to rise as people increasingly look for flexibility and autonomy in their work.

The self-employed workforce accounts for a sizeable portion of the working population, and yet has historically endured more than its share of challenges, particularly when it comes to sourcing funding.

RedZed was set up 15 years ago with the aim of bridging this gap by arranging flexible loan options for the self-employed who didn't necessarily conform to the traditional bank lending criteria, says Chris Calvert, executive general manager of distribution.

"With the self-employed, you're not dealing with a standard employee who presents their most two recent pay cheques to the bank to secure their loan. RedZed is focused on delivering the optimal customer experience by working with brokers to provide flexible loan options for the self-employed with a common-sense approach to decisions," Calvert says.

RECORD GROWTH AND EXPANSION

Since its inception in November 2006, RedZed has provided more than 6000 self-employed borrowers with residential and commercial loans, working directly with customers and their accountants, as well as a network of third-party brokers.

In August, the company celebrated the milestone of A\$5 billion in loan originations, with the pandemic heralding an exceptionally busy period in the self-employed lending segment.

"It's certainly a growing sector and the life blood of the economy," Calvert says.

Last year was also significant for RedZed. In December, it became the first organisation globally to process mortgages through the SAP Cloud for Banking platform, as part of its focus on scalable and flexible technology to improve efficiencies for staff, brokers and customers.

TIMELY, TAILORED SOLUTIONS

"For the self-employed, who don't always comfortably fit a bank's lending criteria, RedZed offers a more personalised approach. The team often helps public practitioners connect their small and medium enterprise clients with lending solutions," Calvert says.

"It might be that an accountant has a client wanting to borrow some money to pay off a tax debt or wanting to expand their business – for example, purchasing business equipment. In such situations, a timely response is typically the customer's highest priority.

"These are all people who have got businesses to run, and time really is of the essence when they want to borrow. We are set up to work with self-employed customers in a flexible, timely and efficient manner," Calvert says. ■

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STORY **BELINDA PARKES**

BEST FOOT FORWARD

PARITOSH DEO CPA WAS TAUGHT AT AN EARLY AGE THAT ANYTHING WORTH DOING DESERVES ONE'S BEST EFFORTS. THAT LESSON HAS BEEN ONE OF THE MAIN INGREDIENTS IN HIS RECIPE FOR SUCCESS.

Lessons sometimes reveal themselves in unusual ways. Paritosh Deo CPA learned the importance of adaptability after struggling to keep up with the laundry required for New Zealand's unpredictable weather.

The young accountant was on a secondment from PwC Fiji, where each day begins with a shorts and flip-flops wardrobe decision, and says he soon discovered that, in New Zealand, it did not pay to be lazy on washing day or you would be left feeling cold.

On a more serious note, all the challenges of relocating from Fiji to New Zealand – from meeting new people, fitting into a different culture, a new workplace, a faster pace of work and a different form of commute, right down to basic living skills such as his laundry – rewired Deo's thinking.

He discovered that broadening his perspective could be an advantage, and he extended that into the way he processed his thoughts at work. The two-year secondment also inspired self-reflection on the personal growth needed to achieve his career goals.

CROSSROADS DECISIONS

Working abroad was life-changing for Deo, particularly because the offer had come at a time when he was questioning whether accounting was the profession for him. He'd also been considering migrating to another country. This opportunity meant he could put all those thoughts to the test.

"Things can be really hectic in a large accounting firm," Deo says. "The work hours are crazy, there are a lot of demands on your personal time, and you have to be really resilient to survive."

Being an accountant wasn't always at the top of Deo's career aspirations. Physics was his first love, but limited opportunities, particularly in a small Pacific Island country, prompted him to redirect his path to the more stable and diverse finance sector.

Deo graduated from the University of the South Pacific in 2007 with a bachelor of arts in accounting, financial management and information systems. He also left with a hat-trick of gold medal honours for being the most outstanding arts graduate in business and economics, the most outstanding graduate majoring in accounting and financial management, and the most outstanding graduate majoring in information systems.

Despite his impressive achievements, Deo remains humble and says he simply lives by the motto of doing his best. It's an attitude he has towards everything he does, including sports, and it earned him a place on the Fijian under-15s and under-17s national soccer teams.

"My thinking is, if you're going to spend time doing something, why not do a good job of it? Otherwise, you've just wasted that time you've spent doing it," Deo says.

Deo joined PwC as a graduate accountant, working his way up to assistant manager in

Fiji, before his secondment to PwC New Zealand in 2013. Upon his return two years later, Deo was appointed manager and director. In July 2020, aged 34, he was made partner.

"It was a proud moment for me to have made it to partner," Deo says, "No doubt I had to work hard, and there were sacrifices along the way, but I guess working hard has paid off in the end."

Deo has had many mentors along the way, including his father and older brother, who have both had successful accounting careers. The small PwC Fiji office has provided him with experience in industries ranging from manufacturing and consumer goods to retail and financial institutions. He's worked with multinationals, listed entities, privately held entities and not-for-profits.

A CHANGE IN APPROACH

Starting out, Deo was introverted, which he says served him well on the bottom rungs of his career, but began to limit his prospects further up the ladder.

When Deo was a trainee, one partner described him as being "like a bird", quietly building his nest without anyone noticing, until suddenly the finished nest is revealed. He urged Deo to change this approach, but it would be several years before Deo understood what he had meant.

The time in New Zealand honed Deo's self-awareness, and he learned to identify the things that made him take notice, as well as



ONE PIECE OF ADVICE

When I was a little boy, about eight or nine, my dad sat me down and told me this quote: "All that you do, do with your might. Things done by halves are never done right." It has stayed with me. I believe in giving your best shot at everything you do.

where his motivation lapsed. He came to realise that the bird analogy had been valuable advice to improve his communication with clients and managers. Keeping people informed builds trust and provides reassurance that everything is on track and that there won't be any unexpected issues to deal with at the eleventh hour.

However, making a deliberate shift in his personality to be more outspoken was not easy. Initially, Deo felt he was trying too hard, or being someone he wasn't. He persevered and, with the support of PwC's partners who provided opportunities for Deo to speak in front of others, he improved.


"I believe one of the most important tools in the armour of a partner is to go out there and be able to communicate with impact," says Deo. "I don't speak for the sake of talking, but when I do speak, it is to share things of substance. This was not about faking it, it was a genuine effort to build a skill that would enable me to thrive in the profession."

Deo works closely with PwC's new graduates and says career prospects are good for young accountants in Fiji.

"I like to see the younger graduates in our firm challenge themselves and realise their full potential, rather than take the easy path and be mediocre." ■



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STORY GARY ANDERS

UNFAIR DISMISSAL

AT A GLANCE

■ Australia's Fair Work Commission received 16,500 unfair dismissal applications between March and June 2020.

■ The rise in unfair dismissal applications signals a need for businesses to ensure their processes and policies are fair and lawful.

■ Strong communication and a thorough understanding of employee termination policies and procedures can go a long way in avoiding unfair dismissal claims.

WHEN IS IT ACCEPTABLE TO TERMINATE SOMEONE'S EMPLOYMENT? KNOWING YOUR RIGHTS AND OBLIGATIONS AS AN EMPLOYER HAS ALWAYS BEEN IMPORTANT, BUT A RECENT SURGE IN UNFAIR DISMISSAL CLAIMS AGAINST BUSINESSES HAS HIGHLIGHTED THAT SOME EMPLOYERS MAY BE TAKING UNNECESSARY RISKS.

Australia's Fair Work Commission received more than 16,500 unfair dismissal applications last financial year, with lodgements between March and June 2020 up by 40 per cent on the same period the year before.

Giri Sivaraman, a principal and employment law specialist at Maurice Blackburn, says he noticed a pronounced rise in unfair dismissal actions from employees who have been accused of workplace sexual harassment.

However, the bulk of the rise coincided with the escalation of the COVID-19 pandemic and the wave of job losses that followed despite the rollout of the federal government's JobKeeper Payment program designed to help businesses retain their employees.

"I also definitely saw a trend where people got sacked purportedly because of COVID-19, when in actual fact it was a knee-jerk reaction by their employer," Sivaraman says.

"Employers acted as if they qualified for special dispensation afforded to them by qualifying for JobKeeper, when in fact they hadn't, and used that as cover for sham redundancies."

With business conditions across Australia remaining fragile, and the JobKeeper program having finished at the end of March, many expect ongoing redundancies will contribute to the elevated levels of unfair dismissal claims being lodged with the Fair Work Commission.

WHAT IS AN UNFAIR DISMISSAL?

The Fair Work Commission may consider an employee has been unfairly dismissed if their dismissal is deemed harsh, unjust or unreasonable.

A person needs to be employed for at least six months before they can claim unfair dismissal.

Those eligible to make an unfair dismissal claim must earn below the high-income



Above: Giri Sivaraman, Maurice Blackburn

“THERE HAS TO BE A VALID REASON TO TERMINATE AN EMPLOYEE, BUT EVEN WITH A VALID REASON, A BUSINESS MUST FOLLOW PROCEDURAL FAIRNESS... PROCEDURAL FAIRNESS IS HAVING A PROPER OPPORTUNITY TO KNOW THE ALLEGATION AGAINST YOU AND TO BE GIVEN A CHANCE TO RESPOND.”

GIRI SIVARAMAN, MAURICE BLACKBURN

threshold of A\$153,600, unless they are covered by an industry award or enterprise agreement.

For companies with fewer than 15 staff, the Small Business Fair Dismissal Code applies. Under that code, people are unable to make a claim if they are dismissed in their first 12 months of employment, if they’ve lost their job because of a business downturn, or if their role is no longer required.

An employer needs to provide reasons for a proposed dismissal and give the employee an opportunity to respond. The reason for the dismissal and the process that is followed are taken into account when determining if the dismissal was fair.

Valid reasons to terminate an employee can include poor performance, misconduct, dangerous behaviour, redundancy and refusing to follow instructions.

“There has to be a valid reason to terminate an employee, but even with a valid reason a business must follow procedural fairness,” Sivaraman says.

“I still have cases where someone is brought into a meeting and told their employment is being terminated and asked to respond immediately.

“That’s not procedural fairness. Procedural fairness is having a proper opportunity to know the allegation against you and to be given a chance to respond.

“Even if there’s a valid reason, and even if you’re afforded procedural fairness, sometimes it can be considered harsh.

“Even though there may be a valid reason to terminate, it’s still unfair, perhaps because of their length of service, their age or maybe they weren’t given proper training about behaviour at work or safety.”

HAVE POLICIES AND PROCEDURES IN PLACE

The general rise in unfair dismissal applications by individuals is a clear warning signal for businesses to be prepared to deal with potential claims.

All employers should have written employment termination policies and procedures. These should be procedurally fair, up to date, and take the Fair Work Commission considerations around unfair dismissal into account.

The policies and procedures should be clearly outlined in an employee handbook, and all employees should show, with signatures, that they have read and understood the employee handbook and the organisation’s policies and procedures, including those relating to employment termination.



Left: People queuing outside a Centrelink office in Sydney. Centrelink offices around Australia have been inundated with people attempting to register for the JobSeeker allowance in the wake of business closures due to the COVID-19 pandemic.

Right: Sarah McCann-Bartlett, Australian Human Resources Institute



“SO MANY ORGANISATIONS FIND THEMSELVES IN HOT WATER WITH THE FAIR WORK COMMISSION BECAUSE THEY’VE IGNORED OR FORGOTTEN ABOUT THEIR OWN PROCEDURES.”

SARAH MCCANN-BARTLETT,
AUSTRALIAN HUMAN RESOURCES INSTITUTE

“I cannot emphasise enough that managers need to follow their organisation’s written policies and procedures when it comes to terminating an employee,” says Sarah McCann-Bartlett, CEO and managing director of the Australian Human Resources Institute.

“So many organisations find themselves in hot water with the Fair Work Commission because they’ve ignored or forgotten about their own procedures.”

Nick Northcott, chief strategy officer of Australian online dispute resolution platform Immediation, says all businesses should assume they will have unfair dismissal claims brought against them.

“There’s a higher burden on employers to be proactive in thinking about how they’re going to handle a dispute, because it is going to happen at some point if you’re an employer,” he says.

“The bigger you are, the higher the risk, and the higher the burden on you to put in place systems, structures and processes to manage things effectively.”

Northcott says factors businesses should be considering are their employee structure, their culture and the level of trust in management by employees.

“The lower that level of trust, the more likely you’re going to end up in dispute,” he says.

“Something that employers can do right now is build that level of trust. Questions to consider include: how often do you communicate with your

employees, what messages do you give them and how fair are you being in that employment relationship when it comes to factors like pay?

“When you find yourself in a dispute, how you respond is critical.

“One pathway might be, an employee makes a complaint and the first step the company takes is to ring their lawyer and end up in a very defensive, combative mode of trying to protect the company.

“The alternative approach is much more open, where you sit down and talk with people about what exactly the issues are, understand their perspective deeply, and then try to find a pathway through to resolution.”

McCann-Bartlett agrees. “High-quality and frequent communication goes a long way when terminating employees. If employees understand why the termination is valid, if they are clear on what the process and next steps will be, and are treated with fairness and respect, then the process is more likely to go smoothly for everyone.”

GOING TO MEDIATION

Northcott points out that if a complaint is lodged with the Fair Work Commission, it will ultimately end up at the mediation table as part of the process.

He says having some form of mediation as soon as a complaint is raised by an employee is highly beneficial for all parties concerned.



Above: Nick Northcott, Immediation



“If your organisation has a lower level of trust, then using third-party facilitators or mediators can be really valuable in that process.

“Occasionally it’s appropriate to use an arbitrator or an expert determinator. There are many different ways to resolve disputes, and unfortunately what we often see is employers don’t necessarily stand back when they are in that position and ask, ‘What’s the right tool to use for this situation – is it mediation externally, is it arbitration?’

“The default pathway is what people typically go for, and they don’t necessarily engage early enough before the other party gets so aggrieved that they call a lawyer and make a claim.”

Northcott says early intervention, often through the process of mediation in the workplace setting, is proven to reduce costs and the time it takes to reach a resolution, not to mention typically being much less stressful than a long, drawn out litigation.

Furthermore, he says going to mediation doesn’t mean an employer is “giving in” to an employee’s demands.

“Let’s say someone is trying to strong-arm you, where people come to the table when you’re making a legitimate business restructure and say, ‘You’ve done this for a reason, and I want to extract some money out of you’. Often people try to test that scenario in the public domain, which can be very reputationally damaging.

“Testing this same scenario in the private domain with a mediator can provide an opportunity for the employer to look someone in the eye and say, ‘I’m not going to give in, I’m not going to relent, this is a

legitimate business decision, this is why I made this decision, and if you choose to come at me on this I’m going to hold firm’.

“Likewise, for employees it’s an opportunity to privately communicate the issues to decision-makers at their employer and give them an opportunity to remedy the situation.

“The outcome of mediation isn’t always settling and paying the other side. It’s a voluntary process for people to put forward their views and seek compromise, but it doesn’t necessarily mean giving in.”

A RISE IN EXTERNAL INVESTIGATIONS

Sivaraman says he’s noticed an increase in businesses using external investigators when dealing with unfair dismissal claims.

“While employers want to move on issues, there seems to be a trend towards engaging external workplace investigators. In the past, you’d find investigations conducted internally through people and culture teams.

“I think it’s a combination of wanting to outsource responsibility to some degree and say, ‘We’re just acting on the findings of the investigator’, to wanting to give the impression of impartiality.”

Northcott says that, where historically many complaints were settled behind the scenes, more people want to take a public stance.

His advice is to nip situations in the bud before they become too big to deal with.

“My advice to both parties – employees and employers – is that situations are often best resolved by having constructive discussions between all parties.” ■



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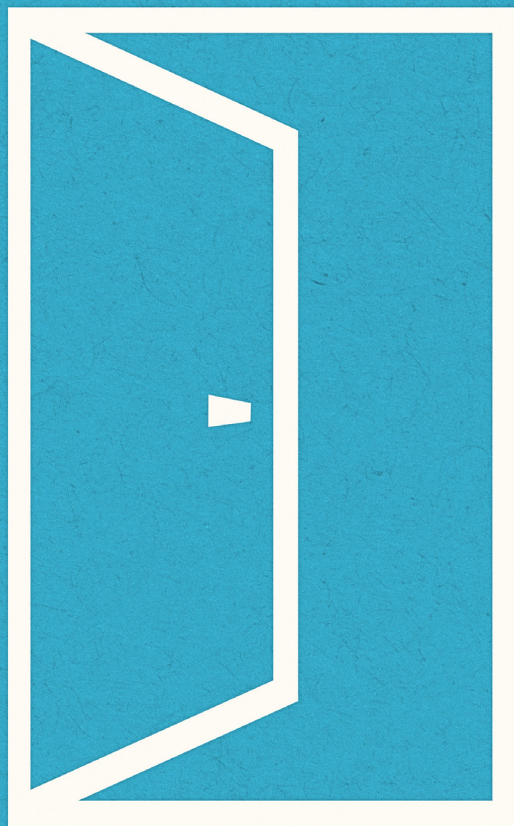
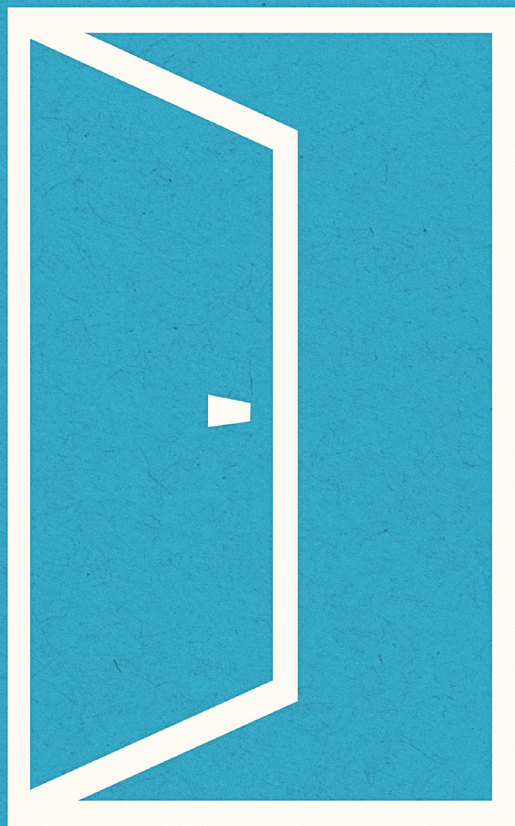
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SUCCESSFUL SECONDMENTS

SECONDMENTS CAN BE A LIFE-CHANGING OPPORTUNITY. A SECONDMENT – THE CHANCE TO TEMPORARILY WORK IN A DIFFERENT ROLE, DEPARTMENT OR ORGANISATION – CAN HAVE PRACTICAL AND IMMEDIATE BENEFITS FOR BOTH STAFF AND EMPLOYERS.

During the pandemic, secondments have grown in importance, as companies concentrate on building the skills of their existing staff in order to keep valuable employees in the business or because talent from abroad is unavailable.

“Australia is a popular destination and, over the years, we have been the beneficiary of that, easily attracting people to come and work here, says Catherine Walsh, partner and head of people and culture with PwC Australia. “But COVID-19 has created a whole range of challenges for our resourcing levels and how many qualified people we have available to do the work.”

Secondments have provided a solution for the organisation, while conferring numerous benefits to staff members, as “one of those great stepping stones” at critical points on their career journeys.

“When we have an experience that takes us out of our comfort zone, people grow and develop and learn. We find people come back with greater insight and perspective, and often with greater technical skills,” Walsh says.

One example is Maria Wozny, associate director of infrastructure advisory at PwC Australia, who has been seconded to the team working on South Australia’s flagship contract with Tesla to build the world’s largest lithium-ion battery system.

Wozny says being seconded to another team led her to discover a passion for infrastructure projects she

AT A GLANCE

■ **A secondment can offer an individual the opportunity to step out of their comfort zone and build their skills.**

■ **Throughout the pandemic, businesses have come to see the value of a secondment program even when it is conducted remotely.**

■ **Employees participating in secondment programs have reported increased confidence, a greater ability to adapt to change and increased resilience to stress.**

didn’t know she had. It was the difference between “fitting in” and “belonging” in terms of how she felt about her career.

“Across my career, I’ve worked with many different teams, did short-term rotations and long-term secondments. I can definitely see how this helped me figure out what I want to do and how, step by step, it led me closer to this place, where I enjoy my work on a daily basis,” Wozny says.

SECONDMENTS IN LOCKDOWN

Like all other aspects of business, secondments have been affected by physical distancing and limitations imposed by COVID-19.

However, secondments have proven valuable even when they are conducted remotely.

Westpac’s long-running Jawun Indigenous secondment program transitioned to a virtual model in 2020.

For two decades, about 950 employees have put their hand up to work in Indigenous community organisations on six-week regional, urban and remote secondments.



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**“SECONDMENTS
HAVE BEEN REALLY
SUCCESSFUL IN
GIVING OUR PEOPLE
AN INTEGRATED END-
TO-END VIEW ACROSS
THE ORGANISATION.”**

SUSIE MOGG, SUNCORP

Cristina Carter, a project manager who has been with Westpac for more than five years, was the first candidate to do the secondment virtually.

“Over nine weeks, I worked from home in Sydney two days a week for Central Coast Aboriginal organisation Barang Regional Alliance, switching back to my day job in the bank’s regulatory team on the other days,” says Carter.

Barang has been central to the New South Wales Government’s Local Decision Making reform program, and it was Carter’s job to support the organisation by providing project management skills, so that the Barang team could finalise its negotiation activities.

Even though Carter had to develop a working relationship with her Barang supervisor over video, she says the bond between them became deep. “It’s remarkable how much I’ve learned from him from my lounge room,” she says.

“Among the key professional development skills I’ve been able to bring back to my day job at Westpac, the power and benefit of authentic acceleration to enhance project delivery is vital – especially in a screen-to-screen working world,” says Carter.

Siobhan Toohill, Westpac’s group head of sustainability, says the secondment program, co-founded by Boston Consulting Group, is seen both as an exchange program and as an Indigenous-led experience.

“Jawun puts forward a brief for the kind of skills they are looking for, and Westpac seeks to match our employees who have expressed an interest in taking part,” says Toohill. Employees must have the right sort of skills, as well as the support of their manager – and this must form part of their development plan.”

For Westpac staff, the secondment experiences to date have been strongly positive. Secondees report a better awareness of Aboriginal culture and a deeper understanding of the challenges faced by Indigenous communities. From a personal and professional development perspective, employees also say the experience gives them more confidence, a greater ability to adapt and improved resilience when facing a range of stresses.

FROM NARROW TO BROAD

A secondment program need not be formal and organisation-wide to be successful. Smaller organisations can still reap the benefits of secondments done on a smaller scale, such as the one at financial services firm Suncorp.

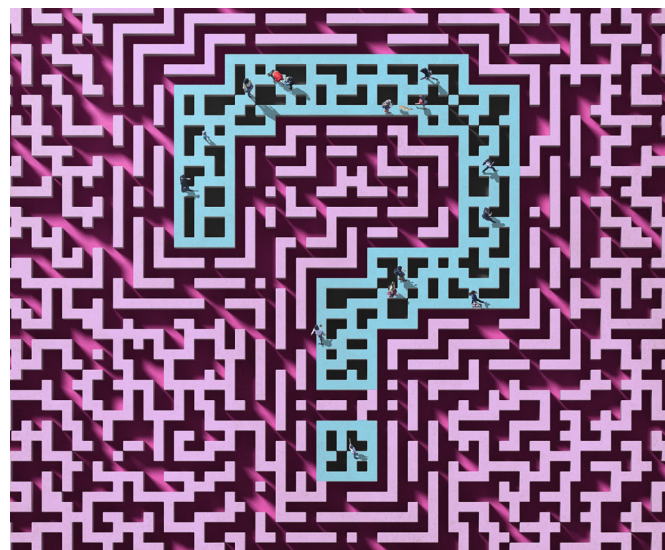
Susie Mogg, Suncorp’s people and culture manager, says that, although Suncorp does not have a formal secondment program, the company’s secondment policy is a core part of its DNA – “just something that we do every day”.

“If someone has gone on maternity leave or is having a career break, we use that temporary



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KEY QUESTIONS TO ASK WHEN SETTING UP A SECONDMENT

vacancy strategically as a really great opportunity for development and accelerated learning. We may identify someone whose experience is quite narrow. Then, we suggest they might want to move temporarily to another area of the business to expand their knowledge,” says Mogg.

She cites an example of an employee from the insurance claims department who moved into a people and culture role during a parental leave vacancy. Mogg says the experience transformed their view of leadership and how they engage with their team. The secondment also created a domino effect, with each vacated role creating a new secondment opportunity.

“Secondments have been really successful in giving our people an integrated end-to-end view across the organisation,” says Mogg.

The opportunities also strengthen diversity and inclusion at Suncorp – for example, by helping women gain the experience they need to move up into more challenging and senior roles, she says.

WHEN THE SLIPPER DOESN'T FIT

Secondments are not exempt from occasional challenges and downsides. For example, employees who pitch to be chosen for a secondment but are not selected may feel demotivated. The host department or organisation may feel that the secondee is not the right cultural fit. Or the secondee might have difficulty settling back into their previous role or might not want to return to their employer at all.

There are other negatives, such as a potential productivity drop-off during transition periods and the additional administrative work involved.

Despite this, however, organisations that have embraced secondments argue that these are a small price to pay for a powerful job training tool. ■

SET THE GROUND RULES

Be very clear on the details – how long is the secondment going to be? Will it be full-time or part-time? What are the logistics and how are they going to be managed? For external secondments, will the secondee continue to be paid by their main employer? Who is responsible for overtime, bonuses, expenses, travel and leave arrangements? What are the budgetary or HR implications? Does the employee's other work need to be covered while they are on secondment, and if so, how?

START FROM A POSITION OF CARE

Ask yourself, are you setting the secondee up for success? Are they ready to take this on from a personal and family point of view? Are they physically safe? What about their mental wellbeing – do they have the right support networks?

THINK OF THE HOST

Be clear on the benefits the secondee can provide to the host team or organisation. What is the host team or organisation trying to achieve? How can you be responsive to their needs? Do

the values align between the secondee and the host team or organisation?

CLARIFY THE ROLE

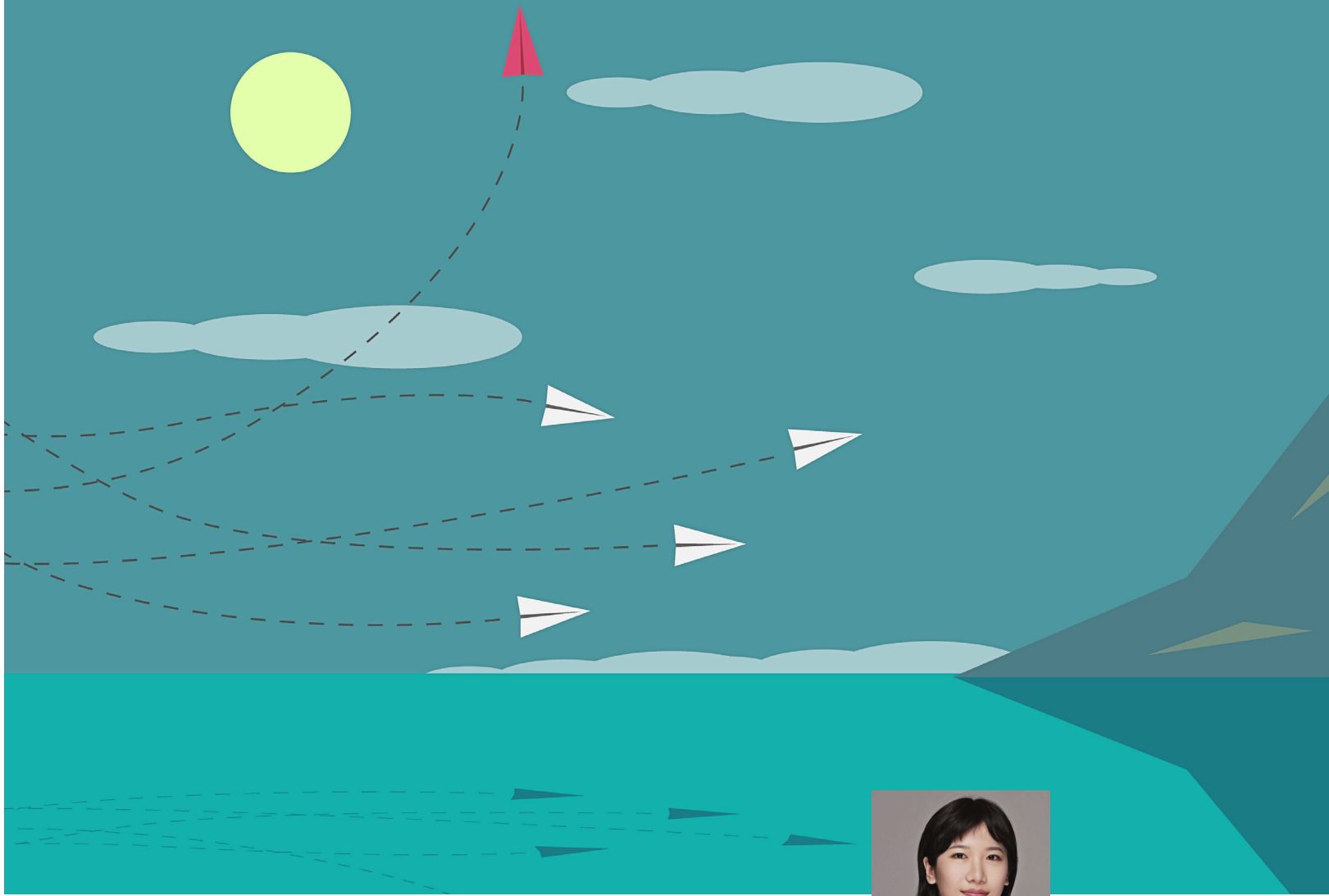
Take a holistic view of the situation. Is this the right role for the secondee? Do the secondee and the host team or organisation have a clear understanding of the secondment's purpose and goals?

LINK IN WITH HR

Examine the opportunity from the career development point of view. How does the secondment fit into learning and development frameworks? What about the secondee's career progression?

MAKE IT LEGALLY WATERTIGHT

The secondment must “tick all the boxes” around health and safety and insurance. Are the right policies and procedures in place, particularly when it comes to overseas secondments? What about if circumstances change? What if they decide not to come back to their employer post-secondment? What if they need to cut their secondment short?



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STORY **JACQUELINE BLONDELL**



ZIJUN YANG ASA
ASSISTANT ACCOUNTANT,
JR BUSINESS PARTNERS

Zijun Yang ASA personifies the idea that professional training is key to future business success.

When Yang moved to Australia in 2015, she already had a bachelor of commerce degree in accounting from Shanghai University of International Business and Economics.

Because she wanted to build her career in Australia, Yang felt she needed to understand the local accounting environment and enrolled in a master's degree in professional accounting program at the University of Adelaide.

While participating in internships as part of her training, Yang decided to enrol in the CPA Program. "My supervisors were all CPA-qualified, so I gained trust in the program.



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ALEX LIPA CPA

FINANCIAL PLANNING AND ANALYSIS MANAGER,
CATCH, AND FINANCE UNIT COORDINATOR
AND ECONOMIC AND STATISTICS E-LEARNING
ADVISER WITH SWINBURNE ONLINE

Alex Lipa CPA took a circuitous route to a finance career. After graduating with a chemistry degree from Melbourne University, he intended to join the police force.

When an eye condition derailed his law enforcement plans, he decided to investigate a finance career, opting for a master's degree in commerce from Deakin University.

"My first lecture was introduction to microeconomics. I just fell in love with it. You know you are going to do well when you start researching and reading in your own time," he says.

After graduation, Lipa held roles with gas company Elgas and convenience chain 7-Eleven. He then spent nearly three years at Coles Group as a finance business partner.

Lipa completed the CPA program as part of a work requirement, but he believes he would have done it anyway. "It's an assumption now that if you are applying for a finance role, you are qualified."

Since March, Lipa has been with Catch, Wesfarmers' online marketplace. "It's very different to Coles. It's like a very big start-up. Part of the reason I am here is that Wesfarmers wants a bit of rigour, control and process around the forward planning."

The notion comes naturally to Lipa, who confesses to being a bit of a career planner. "If you are not planning for your next role, you won't be competent at it."

Lipa's Swinburne teaching work puts him in constant contact with the next generation of accountants. When his students reach out to him, he advises them not to chase "a weird, constructed idea of what a perfect career is".

"When I was studying, I imagined my options were accounting firms or banks. Now, out in the real world for nine years, I haven't touched an accounting firm or a bank. I've worked in retail, in convenience, industrial gases and in property. There's just so many places to go, but if I'd closed myself off, I don't know where my career would be."



KALPANA LAL FCPA

HEAD OF UNIT, ADMINISTRATION AND FINANCE,
GIZ PACIFIC OPERATIONS

Kalpana Lal FCPA not only has a demanding role with GIZ Pacific Operations, a Fiji-based international sustainable development agency, where she is the only woman and the only local on the leadership team. She is also chair of Vodafone Fiji and Amalgamated Telecommunications Holdings Limited, and is a director on several other boards.

Lal attributes her achievements to professional qualifications, targeted training and careful career planning.

"I think it's very important to have a clear vision and focus on developing yourself, alike to mapping out a trajectory on where you want to go and how you will get there. I also think it's important to upskill yourself at various stages in your career. You should view professional development as an investment in yourself."

Lal also believes that stepping outside one's comfort zone is a good way to develop experiences and skills. She did just this by leaving an audit career for the not-for-profit sphere several years ago.

"In today's disruptive world, we need to constantly be on the learning curve. Having the right qualification certainly helps open up opportunities."

"I feel by elevating myself professionally I am well-positioned to add tremendous value in the various roles as an executive. At GIZ, I am truly passionate about adding value through my advisory role."

GIZ has offered Lal numerous training opportunities throughout Asia and in Europe, and now she in turn trains others in the Pacific region. She also turns to professional bodies, such as CPA Australia, to keep up to date with the latest in the industry.

"Training from professional bodies exposes us to current and emerging trends. It creates an awareness on how our roles could help organisations adapt and react to the changes that are happening around them." ■



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"It is internationally recognised, including in Mainland China, therefore there won't be a problem if I decide to relocate in the future. The well-structured course and more detailed textbooks enabled me to have a better understanding than before, and built up my confidence in job hunting. The program's broad content expanded my knowledge towards this profession and developed my interest in it," she says.

After graduating, Yang worked in the accounting department at a South Australian meat processing company, before moving to Sydney in search of further career expansion.

She is not slowing down when it comes to training, and was among the first to complete the CPA Australia micro-credential in data analytics. "If I learn more about data analytics, it will give me a competitive edge," she says.

AT A GLANCE

■ Australia's top 50 companies donated A\$1.1 billion to philanthropic causes in 2020, an increase of 17 per cent from 2019 figures.

■ In the aftermath of the Australian bushfires of 2019 and 2020, the Australian Charities and Not-for-profit Commission (ACNC) ran a review of charities that received an unprecedented number of donations to determine if the funds had been managed according to the deeds of each trust.

■ The ACNC's charities register – The Charity Marketplace – has been developed to provide information to donors and partners on what charities spend money on, to promote transparency and assist organisations with their corporate social responsibility strategies.



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BURNING QUESTIONS

THE MASSIVE OUTPOURING OF DONATIONS TO HELP FIREFIGHTERS AND COMMUNITIES AFFECTED BY THE 2019-2020 BUSHFIRES IN RURAL NEW SOUTH WALES WENT FAR BEYOND SUPPORTING VICTIMS. IT BROUGHT TO LIGHT KEY QUESTIONS AROUND CHARITABLE GIVING AND HOW ORGANISATIONS SHOULD PLAN LONG-TERM CHARITABLE INITIATIVES.

STORY MEGAN BREEN

It is an almost unbelievable position for any charitable organisation to be in: asking people to stop donating to their cause. Yet, as bushfires raged along the east coast of Australia in late 2019 and early 2020, this is exactly where the New South Wales Rural Fire Service (RFS) found itself.

A global social media appeal, led by popular Australian comedian Celeste Barber, to raise money to help firefighters and communities affected by the fires had proven to be a runaway success.

The generosity was astounding by any measure. Barber's goal was to raise A\$30,000, but the final figure reached a whopping A\$51 million. As the total grew, Barber told the well-meaning donors that their money would be spread across a range of organisations.

"It's going to the RFS, and it will be distributed out," Barber posted on social media. "I'm going to make sure that Victoria gets some, that South Australia gets some, also families of people who have died in these fires, the wildlife."

However, like all charitable organisations, the New South Wales RFS is bound by the deeds of its trust on how it can spend and distribute monies it receives. In this case, as subsequently ruled by the Supreme Court of New South Wales, the money could only be spent on equipment, training and administrative costs. It could not be distributed to firefighting services in other states, nor to organisations protecting wildlife and the

environment, which was the apparent intent of the donations through Barber's appeal.

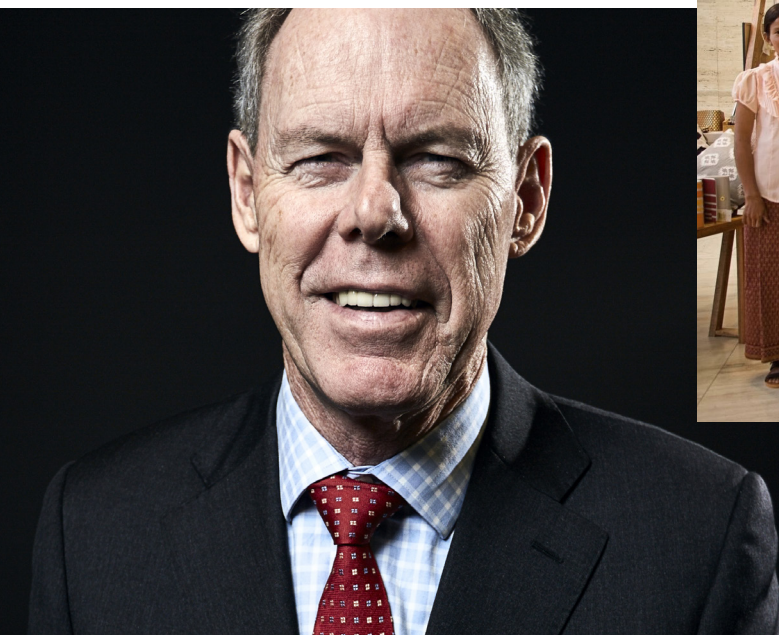
The lesson here is that, while people can be extremely generous in times of crisis, pouring money into one charity or one cause may not be the most effective way to provide support. How can organisations and individuals ensure that their philanthropic efforts make the difference they hope for – and what role do organisations have in effecting that change?

READ THE FINE PRINT

Andrew Macdonald, chair of the New South Wales RFS and Brigades Donations Trust, says the organisation sought clarification on how it could share the money donated through Barber's appeal, once it realised the donors had made an assumption of how it would be spent.

"We have never before been in a situation where we had to ask for the fundraising to be redirected," says Macdonald. "It was apparent that people might have donated thinking that we could assist some wildlife or environmental organisations, or perhaps even other like-minded or similar charities within the state or even outside New South Wales."

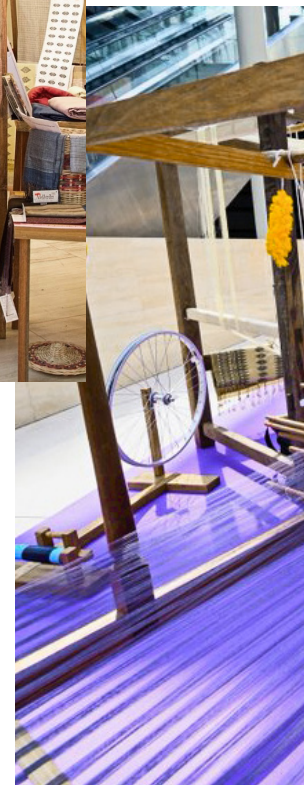
"We ended up getting an interpretation from the Supreme Court to clarify our questions. We said, 'We think we understand our limitations, but is it possible to support some other organisations?' The court ruled that we couldn't share the money that way," says Macdonald.



Above: Participants at the Maybank Women Eco-Weavers Exhibition in 2018

Left: Dr Gary Johns, Australian Charities and Not-for-profits Commission

Right: The Maybank Eco-Weavers program is an economic independence initiative that aims to promote the art of traditional textile weaving while encouraging ethical and sustainable industry practices.



“WE HAVE NEVER BEFORE BEEN IN A SITUATION WHERE WE HAD TO ASK FOR THE FUNDRAISING TO BE REDIRECTED.”

ANDREW MACDONALD, NEW SOUTH WALES RFS AND BRIGADES DONATIONS TRUST

The New South Wales RFS issue generated much discussion about the way major charities distribute their donations. Dr Gary Johns, commissioner of the Australian Charities and Not-for-profits Commission, subsequently undertook a review of the Australian Red Cross, WIRES and the New South Wales RFS to determine how they had operated in the aftermath of the fires.

“We undertook a review of the three charities, and the test was to see if they had managed the money according to the deeds of the trust,” Johns explains. “While there were people arguing that the money they had donated hadn’t gone where they wanted it to, we found that all three acquitted themselves in accordance with the trust.

“My advice to any organisation planning on supporting a charity is to do your homework and understand what the cause is and then plan for a long-term strategy of philanthropic giving,” he adds.

Johns oversees 58,000 charities and says having a thorough understanding of a charitable organisation prior to investment is crucial to meeting corporate responsibility targets. “We developed a register over the past two years – [The Charity Marketplace](#)

– that will let potential donors or partners see what a charity is spending its money on. You can access the register and see what programs they are running,” Johns says.

Visibility of the work that charities undertake is a priority for Johns, who has encouraged charities on the register to provide information in their annual reports and financial statements on where they have received grant funding from and how they are spending it.

“It is not a compliance issue, but we are encouraging charities to be clear about where the money is coming from and where it is being directed,” he says. “There are so many causes to support that providing clear information is going to help CEOs and CFOs decide which one they will support.”

SUPPORTING A SUSTAINABLE FUTURE

In Australia alone, 4.43 million individual taxpayers claimed a total of A\$3.75 billion as tax-deductible donations in 2017-2018, compared with 4.52 million claiming A\$3.48 billion in 2016-2017. This is consistent with trends over the past decade that show that, while the number of Australians who are giving to charity is

declining, the amount they are donating is growing, according to the [latest data](#).

Many businesses are also committed to philanthropic efforts. It is a cornerstone of corporate social responsibility and is increasingly an expectation of key stakeholders, such as customers and employees.

In 2015-2016, Australian businesses gave A\$17.5 billion to charities and not-for-profits, of which A\$7.7 billion went to community partnerships, A\$6.2 billion to donations and A\$3.6 billion to non-commercial sponsorships.

Following the outbreak of COVID-19, many businesses dug deep.

The [2020 GivingLarge Report](#), by Strive Philanthropy, shows Australia’s top 50 companies invested A\$1.1 billion into philanthropic causes in 2020 – an increase of A\$155 million or 17 per cent compared to 2019 figures.

While the volume of charitable donations has increased, the nature of corporate philanthropy is changing too, evolving from donations to long-term strategic planning for sustainable initiatives that have a real impact on changing people’s lives.

Right: Carol Schwartz AO,
Trawalla Foundation



“THE WHOLE TENOR OF PHILANTHROPY HAS CHANGED. IT’S BECOME AS IMPORTANT AN INVESTMENT IN SOCIAL AND IMPACTFUL OUTCOMES AS ANY OTHER INVESTMENT A BUSINESS WOULD MAKE.”

CAROL SCHWARTZ AO, TRAWALLA FOUNDATION

Rather than diverting a percentage of profit in dollar terms only, many companies are now investing in partnerships and programs that work to address social and economic disadvantage. Look at any major corporation’s website, and there is likely to be a community partnerships link highlighting the programs they support.

Surin Segar FCPA is Maybank’s group head of tax and CFO of Maybank Foundation, which engages in corporate social responsibility for the Maybank Group in ASEAN to effect change in the communities where the bank operates. The Maybank Foundation was set up in the early 1960s and has evolved to focus on a wide range of sustainability initiatives.

“I think it’s very important for corporations to look at sustainability going forward,” says Segar. “It’s no longer just about corporate responsibility or setting aside an amount of money for a tax deduction and trying to get some branding mileage out of it. Those days have gone, and more and more corporations are moving away from that and going into sustainability in initiatives. That is how we need to help the communities where we operate.”

Philanthropic evolution is a topic close to the heart of business leader Carol Schwartz AO. As chair of the Trawalla Foundation, the private foundation for the Schwartz family, she has worked in philanthropy with the aim of transforming individuals’ lives and, by extension, the communities around them.

“One of the conversations that we had around our trustee table was what can make a difference to individuals’ lives. Out of that conversation came a realisation that, very often, scholarships and opportunities to develop personally for an individual have a huge multiplier effect within their own communities,” says Schwartz.

“For the Trawalla Foundation, a lot of our work in the beginning revolved around supporting the arts, ideas, innovation and scholarship. That has matured as we’ve developed and is really all about supporting and partnering with individuals and organisations who are making a difference in a meaningful way.”

This sentiment is also reflected in the work of the Maybank Foundation, says Segar.

“We just don’t want to be in a location purely to make profits. We want to give

back to people and help them see how they can improve their livelihoods and their communities. For example, the Maybank Women Eco-Weavers program provides women with employment opportunities – and you can see housing has improved, children are starting to go to schools and healthcare is also improving, because women are empowered and can earn an income.”

Schwartz sees the future of philanthropy in investment terms, adding value to both business and society in general.

“The whole tenor of philanthropy has changed. It’s become as important an investment in social and impactful outcomes as any other investment a business would make.

“It has also become democratised through crowdsource funding, where you can leverage a small amount of money and be part of a much bigger pool.

“I think this new view of philanthropic investment and the potential outcomes are very exciting and will make a bigger difference as we focus more on the impact and the outcomes of philanthropy in a much more meaningful way,” she says. ■



MIDDLE GROUND



AT A GLANCE

■ Many business leaders tend to neglect conflict management skills on the basis that they are separate from the everyday functions of an organisation.

■ Disputes between business partners can stall a business or derail it financially if left unchecked, and it is important to have adequate structures in place within partnership agreements.

■ While it is useful to hone communication and conflict management skills, calling in a third-party mediator with no vested interest is part of best practice in dispute resolution.

DISPUTES BETWEEN BUSINESS PARTNERS CAN CAUSE PROBLEMS IN THE WORKPLACE AND EVEN BREAK A BUSINESS IF NOT MANAGED CORRECTLY, BUT THERE ARE WAYS TO ADDRESS ISSUES AND MITIGATE THE FALLOUT.

STORY **CAMERON COOPER**

It doesn't have to end in pistols at dawn every time there is a falling out in the boardroom.

Disagreements and conflicts between business partners do happen, and if left unchecked can spiral from a professional business disagreement to a more emotional attack.

"It becomes personal," says Kathleen Vouris CPA, a partner at Hall Chadwick. "What once was a business arrangement and relationship becomes very emotional."

Vouris says that, if one person feels like the aggrieved party in a business dispute, they may be content to throw away everything they'd worked for just to spite their colleague. "They say, 'Well, I'd rather have nothing, just so they have nothing, too'."

She equates the experience to a bitter marriage breakup and, just as with ill-fated nuptials, the key to a better outcome for all parties is to act quickly and limit the damage.

IGNORE DISPUTES AT YOUR PERIL

The way business disputes are handled can have serious consequences, financially and emotionally. Yet Ravi Navaratnam FCPA, chief strategy officer at engineering consultancy Minconsult in Malaysia, says leaders often neglect their conflict management skills. "It's seen as something that's remote to the actual machinations of a company on a daily basis," he says.

Navaratnam advises three key actions when seeking to address conflicts – empathise, listen and decide. In combination, they provide a framework for negotiations to progress.

"Making a stand or a decision is the end point," he says. "But before you arrive at that end point, you have

to understand what's going on and empathise and listen to the other side. You have to put yourself in the shoes of that person."

He adds that the act of communication is often confused with true listening – two people may be engaged in conversation, but if one person is doing all the talking and the other is just a sounding board, little headway is likely.

"At the end of the day, you get far more from listening than you do from talking."

CUT YOUR LOSSES

An important reason to avoid or limit the damage from conflicts is the company's bottom line. Messy disputes between partners can stall the business or derail it financially.

Marelda Hibberd, commercial litigation and insolvency partner at Maddocks, acknowledges that it often takes a hefty invoice from their lawyers for some opposing parties to start negotiating properly.

"It starts to get quite real when they get the legal bills," she says. "The aim with disputes should be to get to a position that you can live with rather than a position you really want."

If partnership arrangements have no corporate structures in place, disputes can drag on for years and become legally onerous and expensive. For that reason, Hibberd urges partners to define the terms of the partnership agreement long before any disputes arise, including a formal buyout plan or dissolution strategy.

Too often, partners inject money into a business by way of capital or equity, but fail to document this properly. If one party claims an entitlement at a later date, there is no paperwork to back up the claim.



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Failing to get a partnership agreement in place because of potential legal fees is a “false economy”, according to Hibberd.

“People may baulk at paying A\$10,000 for a partnership agreement, but if things go bad, you might spend hundreds of thousands of dollars on a dispute. That agreement is your insurance policy.”

CALL IN A MEDIATOR

Vouris agrees that it is best practice to have a partnership agreement in place covering the funding, structure, management and direction of the business, while also outlining the responsibilities and obligations of the business owners.

Regardless, when a dispute arises, the opposing parties should quickly engage a third-party mediator who is emotionally removed from the issue.

Navaratnam believes it is important for partners to realise that they do not have to reach a decisive agreement to progress a dispute – agreeing to disagree may be acceptable.

“As someone once said to me, there’s your point of view, there’s my point of view, and then there’s the correct point of view. If everybody agreed on everything, there would be no legal courts of justice.

“There are all sorts of idiosyncrasies with negotiations and disputes,” he says. “But, ultimately, it all boils down to two parties wanting to move forward, either by way of resolution of an existing conflict, or the avoidance of a possible conflict.

“Essentially the same principles apply – it’s just a matter of how you get there.”

MOVE WITH THE TIMES

Workplace mediation expert Saranne Segal, managing partner with Segal Conflict Solutions, believes workplace interactions have taken a turn for the worse during the COVID-19 pandemic, with bullying tactics such as deliberate exclusion made easier by the move online.

“There’s a lot of nastiness going on, and that is leading to workplace conflicts,” Segal says.

“THERE ARE ALL SORTS OF IDIOSYNCRASIES WITH NEGOTIATIONS AND DISPUTES. BUT, ULTIMATELY, IT ALL BOILS DOWN TO TWO PARTIES WANTING TO MOVE FORWARD, EITHER BY WAY OF RESOLUTION OF AN EXISTING CONFLICT, OR THE AVOIDANCE OF A POSSIBLE CONFLICT.”

RAVI NAVARATNAM FCPA, MINCONSULT

For leaders and managers, this means being more sensitive to others’ needs, engaging in better and more inclusive conversations, and showing more emotional intelligence.

If bad behaviour is unaddressed, the business will “pay a long-term price”, she says.

Disputes are ultimately about people’s lives, and an emotional release is often required to reach resolution, Segal says. Managing your own and others’ expectations will go a long way to preventing minor disagreements becoming major disputes.

KNOW WHEN TO WALK AWAY

In *The Art of War*, legendary ancient Chinese general Sun Tzu outlines many strategies on how to beat opponents on the battlefield. One, however, stands out as the most salient: “The wise warrior avoids the battle.”

Amid the ongoing economic fallout from COVID-19, the potential for business partner disputes is higher than ever, and so are the stakes.



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finance teams



Above: Kathleen Vouris CPA

Vouris says that, in her experience, about 99 per cent of people who have gone through a dispute resolution process believe that they would have been better off financially if they had taken a less emotional approach.

To that end, she recommends that partners, directors and shareholders stay in close contact with their advisers – whether it's an accountant, a lawyer or an insolvency expert – if a conflict arises.

"You need to know what your options are should anything occur, so you can make proper decisions. I can't see how anyone can make really good decisions in an emotional state."

If the dispute cannot be settled, the business may need to be wound up and an insolvency expert such as Vouris would need to realise the assets and divvy up the spoils. However, she warns that such a "fire sale" will, in most cases, lead to partners losing out financially. "With any insolvency, potential buyers think they're going to get a bargain, and if I'm trying to sell assets under the branding of 'liquidation' you can imagine how that goes." ■



PAUSE AND REFLECT

For business partners struggling to deal with conflict, registered psychologist Caryn Cridland advises to hit pause and reflect.

Caryn Cridland, founder of Mindful Mediation, a specialist workplace consultancy, believes four elements are the key to solving disputes – communication, emotional intelligence, personality and leadership style.

Cridland measures clients' skills and preferences in these four areas to help them understand how they became embroiled in the dispute in the first place, and what they can learn about themselves to help them resolve it.

"Some people feel that their identity is being challenged in a dispute and take it very personally," says Cridland. "Others see conflict as a necessary and creative part of life and business. This difference alone, in the way people view conflict, can stand in the way of a resolution."

To help people involved in conflict to resolve disputes and to prevent future issues from arising, it is important to build the following interpersonal skills.

Communication – In many instances of workplace conflict, aggrieved parties say they don't feel listened to or valued.

Business leaders should try to be fully present and listen to their feelings and needs, as well as those of others.

"Even two minutes of presence is enough to move a person emotionally. It's a very powerful thing."

Emotional intelligence – A trained yoga and qi gong teacher, Cridland believes such practices can help leaders react less emotionally and in a more measured way when disputes occur, rather than switching to fight or flight mode.

"Leaders who invest in managing their own emotions are more likely to respond to events unfolding rather than react to a triggering situation."

Leadership style – Cridland helps leaders identify their own preferred leadership and communication style, values, motivators and goals.

"Once leaders are clear on who they are, what they stand for and their goals, they are more likely to see others clearly and work out a path forward with insight and adaptability."

STORY CHRISTOPHER NIESCHE

HAVING TAKEN OVER THE FAMILY BUSINESS AFTER HIS FATHER RETIRED, SHAUN LEE FCPA PUTS HIS FATHER'S LESSONS TO GOOD USE.

FROM FATHER TO SON



Above: Melaka is a regional tourism centre on Malaysia's west coast.
Right: Shaun Lee FCPA



It was only natural that Shaun Lee FCPA would step into his father's accountancy practice and take over once he retired.

"For us Malaysian-Chinese, we believe that the continuity in a family business is important," says Lee, managing director of Lee & Lim Tax Consultants based in Melaka, a city on Malaysia's west coast, about two hours south of Kuala Lumpur.

The firm was started by Lee's father in 1980, and Lee joined in 2005, after spending three years working in Kuala Lumpur. He took over the firm in 2017, and says that working for his father had both positives and negatives.

"The good part is that my father selflessly taught me everything under the sun. Anything that he knew, and whatever hurdles he has overcome, he shared all the experience with me," Lee says.

"But there is also pressure from a father to a son, and he would expect you to excel in all aspects."

The firm focuses on supporting individuals and small and medium-sized businesses, which in Melaka centre around tourism, small manufacturing and services.

Lee's role is overseeing the performance of the firm's accountants and liaising with the Malaysian tax authorities.

"As a licensed tax agent, I say that we are like a bridge between the taxpayer and the government," he says.

While Lee & Lim Tax Consultants is kept busy with the government's audits and client investigations, Lee says the firm always tries to

go beyond compliance work and to anticipate any potential issues that might arise.

"If the government were to come after my clients and wanted to penalise them, then if we are able to help them to defend themselves and show the government proof and win the case, that is very satisfying," he says.

"When you do business, there are so many external factors to deal with. So, when we make an argument to the tax authorities, I think it's important to understand our clients' businesses as well as to understand the *Income Tax Act*."

For Lee, the biggest challenge in running the practice is finding enough qualified staff.

"Melaka is a very small, historic town, so many young people, when they graduate, tend to work in bigger cities, like Kuala Lumpur," says Lee, a former Malaysian Divisional Councillor at CPA Australia.

The next challenge is holding on to staff, because they are often headhunted for roles in commerce, which pay a lot better.

"I'm not competing for staff with other accounting firms, but sometimes with commercials. The commercials want our staff

ONE PIECE OF ADVICE

"When we are practising, the most important thing is not to be overly focused on the technical part, but to focus on the soft skills as well. Many accountants forget that sometimes, when we want to solve a problem, we have to put on the shoes of a businessman – we have to sometimes think of how they think."

as well, because they are very savvy on all these tax and accounting technicalities."

Lee & Lim Tax Consultants' older clients can be challenged by change, such as the recent introduction of a transfer pricing regime in Malaysia, and the need to use different methods than those they've been using for the past 30 or 40 years.

Younger clients present a different challenge. Many of them are moving their businesses online and adopting new payment methods, and Lee has to keep up with them and ensure they still gather all the required documentation, regardless of how they are paid.

The outbreak of the COVID-19 pandemic has put the brakes on Lee's plans for the firm, but, once the crisis has passed, he would like to expand the business to other geographic locations, particularly some of Malaysia's larger cities. ■



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AS THE PROFESSIONAL INDEMNITY INSURANCE MARKET CONTINUES TO GROW IN COMPLEXITY, IT HAS NEVER BEEN MORE IMPORTANT TO CHECK THAT YOUR PRACTICE IS ADEQUATELY PROTECTED.

THE PROFESSIONAL INDEMNITY (PI) insurance market is changing rapidly. According to the [latest data](#) from the Australian Prudential Regulatory Authority, gross written premium (GWP) for PI cover increased by 23.2 per cent in the past 12 months, largely driven by the rising number – and cost – of claims.

In this challenging post-JobKeeper environment, PI insurance may be more valuable than ever to public practitioners, says Anton Vucak, partner at Hall & Wilcox.

“People are more conscious of their finances, so if something goes wrong, they’re exploring what the consequences are and who they’re able to recover their losses from,” he says.

“If you do get a claim made against you and you don’t have the appropriate cover, it’s a very costly and complicated process.”

UNDERSTAND THE PARAMETERS OF YOUR COVER

To determine whether your PI policy provides sufficient cover for your practice, Vucak recommends assessing your risk profile on an annual basis, in collaboration with your broker or insurer.

“I think the most important factor is the extent of the coverage,” he says, explaining that he has encountered situations where policies have had a A\$5 million limit, but

claims have been filed for A\$10 million, leaving policyholders liable for the difference.

Understanding policy exclusions and restrictions is also critical, as is staying within the parameters of your expertise. It can be all too easy for sole practitioners, in particular, to engage in activities not covered by their policy. Vucak says in such instances, people should be comfortable explaining their professional limitations to clients and referring them to a third party. He adds: “If you’re extending your scope of work as your business improves or increases, make sure you consider that your insurance also needs to increase.”

ALLEVIATING STRESS

If a claim is made against your practice, the first step is to make contact as soon as possible with your broker or insurer. Vucak explains that if your policy is written on a “claims made and notified” basis, any delays

may culminate in the policy period lapsing before you lodge the claim.

“If something does go wrong, there’s no point hiding under the covers,” he says. Likewise, he advises against defending yourself when first alerted to the claim, when emotions are often heightened.

“Notifying your insurer and broker will allow you that opportunity to talk through it and make sure the right process is followed.”

Establishing diligent record-keeping systems within your business is beneficial as a pre-emptive measure, so if a claim does arise, you can share as much information as possible with your insurer. “Professionals in the accounting world especially need to have an adequate paper trail,” Vucak says. “Making sure they can substantiate what they did, how they calculated taxes, what factors they took into consideration, so all the things that may be raised later on can be produced if required.”

For Vucak, having a good relationship with your insurer or broker can reduce stress in several ways. The right policy will lessen the financial strain of defending a claim while providing access to expert guidance on what is often an unfamiliar process – leaving you free to continue regular business activities.

“If you’re fixated on that claim, then potentially you’re not paying attention to the other clients you have, which may cause other claims,” he says. “The value of having somebody there to help you through the process cannot be overstated.” ■

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WORK SMART

// LEAVING A JOB

Resign

THOSE WHO REMAIN IN THE SAME ROLE FOR MANY YEARS RUN SEVERAL RISKS, SAY CAREER AND WORKPLACE EXPERTS. CHIEF AMONG THEM IS BEING PERCEIVED AS LACKING IN AMBITION. WHEN IS THE RIGHT TIME TO CALL IT QUITS?

STORY **JESSICA MUDDITT**

QUIT WHILE YOU'RE AHEAD?

There are many excellent reasons to stay in the same job for a number of years – becoming an expert on the business and industry, developing a high level of proficiency in everyday tasks and cultivating long-term relationships with colleagues and clients.

There are also many good reasons to stay with the same organisation – especially a large one – where it is possible to hold a variety of roles and take on more senior responsibilities over time.

The danger is when a person holds the exact same job for an overly extended period. When the time eventually comes to find a new job, this may raise a red flag among prospective employers about a lack of ambition or adaptability to change.

Getting too comfortable can also flatline career progression, says David Simpson, managing director at Melbourne HR.

“People think that their careers are really long, but when you work it all out, after university...you probably only have 13 or 14 years at boutique firms, or 16 to 20 years at the ‘Big Four’ to go from a junior position to a senior role, reporting to the C-suite or equivalent. That’s actually not a lot of time.”

COMFORT VS LETTING GO

If we become disenchanted with our current workplace, it can be damaging to our reputation to remain there.

“When we’re unhappy, we don’t do our best work, and sometimes we can even get into a negative mindset,” says Rachel Service, CEO of workplace culture consultancy Happiness Concierge. “Then, when it comes

Clockwise from right:
Rachel Service,
Happiness Concierge,
David Simpson,
Melbourne HR, Michelle
Gibbings, Change
Meridian and Kathryn
MacMillan, CIRCLE
Recruitment & HR



to resigning, it's hard to get a positive reference if you were unhappy and unfocused."

It is also important to be clear about your career goals, reminds Michelle Gibbings, founder and managing director at leadership consultancy Change Meridian.

"There are times in life when you may want a role where it's comfortable," she says. "You know your work back to front and inside out, you're happy with your salary and you like the people you work with. There are other things that you're focusing on in your life, which are the priority. There is nothing wrong with that."

HOW LONG IS TOO LONG?

There is no simple answer when it comes to how long is too long in the same role. Much depends on the role itself, says Simpson.

"Excluding senior leadership roles, I think people shouldn't spend any more than four years in a particular role. Saying that, spending four years in every role in the junior and middle sectors would be too long. There is nothing wrong with spending four years in one role, but in the next role you probably need to spend only two or three years to get where you need to go."

On the other hand, if it is a senior leadership role, time is far less important, he adds. "You could spend 10 or 15 years in a single role. It doesn't really matter. Once you've been made a partner of a boutique financial services firm, you may want to sit in that role for quite some time."

Kathryn MacMillan, managing director of CIRCLE Recruitment & HR, takes a more generous view.

"If someone has stayed in a role for about five to seven years, that could be seen as excellent tenure, particularly if it's a more senior role. When you start looking at those really long-term roles – which are more than 20 years – someone may then start to question why somebody stayed so long. Was it a lack of ambition?"

Gibbings believes there is no hard and fast rule. "If you're continuing to learn and you like the work and the environment, then you shouldn't feel pressured to leave just because someone has given an arbitrary number on how long you should stay."

WARNING SIGNS

A number of warning signs herald the need to get a fresh start, say experts. If your performance is dropping, you feel bored and no aspect of your work gives you a buzz, it may be worth considering your next move. Or perhaps you have become the office cynic and fire off multiple cross emails to your manager about trifling issues.

Gibbings says that a disconnect in values is a strong indicator that it is time to call time. "If you feel like you're coming into the work environment and can't be yourself, that causes an unhealthy psychological disconnect."

Service adds, "If you are having to give yourself a pep talk every morning and are getting the Sunday blues, you are clearly no longer happy."

CAN YOU OVERSTAY YOUR WELCOME?

When some of the more insidious hallmarks of unhappiness take root, it is likely that you have overstayed your welcome at your organisation.

"You see it quite often," says Simpson. "It doesn't make someone a bad person – it just means that there is friction between them and the organisation's culture and leadership."

Service says that the last person to realise what is happening is often the person whose time is up.

"If you are unhappy, everybody knows about it already. You have to take ownership of it. When people are disengaged but haven't yet taken any steps to do something about it, that's where really unhelpful behaviour influences workplace culture."

She acknowledges that taking the leap can be daunting, and suggests calling a recruiter to have an off-the-record discussion, or investing in a personal coach. Try to remember that a change can be enriching, Service says. ■



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STORY AMANDA WOODARD

THE PANDEMIC MAY HAVE AMPLIFIED PEOPLE'S FEELINGS OF DISENGAGEMENT FROM WORK. HOW CAN MANAGERS HELP TO GET EMPLOYEES RE-ENTHUSED AND BACK ON TRACK?

CONNECTION LOST

An early sign of disengagement, and one of the first things you may notice as a manager, is the silence. An employee who previously talked a lot in meetings doesn't say much. Even the ones who didn't say much before, now don't say anything at all.

Mark LeBusque, who specialises in humanising leadership, knows how to spot people who are in danger of throwing in the towel. "They start looking for their manager to come up with ideas or expect to be told what to do next. They may also have withdrawn socially, skipping the Friday night drinks or office socials," he says.

Absenteeism is another warning signal, with an employee increasing the number of days they take off.

"It's a bit like a virus," says LeBusque, "particularly if it appears among influential people in the team. It's challenging for managers, because if they don't jump on it quickly, disengagement can go from mildly problematic to dysfunctional very quickly."

THE UNHAPPINESS CHART

Since 2000, Gallup has measured global levels of workplace engagement – from engaged, to not engaged, to actively disengaged staff. The global average employee engagement hovers at about 20 per cent. People who Gallup rates as actively disengaged are "those who have miserable work experiences and spread their unhappiness to their colleagues". This toxicity is particularly contagious in office settings.

Why are so many people unhappy and unfocused at work? Employee disengagement doesn't occur in a vacuum, says Danny Lessem, CEO and co-founder of software company ELMO.

Unsatisfactory pay, lack of career development opportunities, ineffective managers, workplace stress, company culture and workplace policies that fail to keep up with the times can all be contributing factors.

"Money-related stress contributes to disengagement. If an individual feels they are earning much less than their peers in similar industries or cities, they may feel discouraged," says Lessem.

Another big disincentive is when people's desire to learn new skills and grow in their role isn't being met. They lose interest in their jobs – sometimes to the extent that they are willing to resign.

However, by far the leading cause of employee disengagement is ineffective management. "There are many forms of poor leadership, but research shows that 'absentee leaders' erode staff satisfaction the most. These are managers who are psychologically absent and therefore fail to build meaningful connections with their teams. This leads to high levels of stress and low employee morale – and, eventually, active disengagement," says Lessem.

TAKE CARE

With hybrid working becoming more common following the pandemic, keeping tabs on how people are travelling in relation to their motivation, mental health and connectedness to their work could seem even more daunting from a manager's perspective.

Alison and Darren Hill, founders of behaviour and motivation strategy company Pragmatic Thinking, say that employee disengagement can be related to what is going on outside the office.

"Look for signs of a lowered level of energy when even the types of work that would normally light them up seem mundane. This might be related to home challenges, poor sleep, or biological or hormonal factors."

They suggest managers take a caring and compassionate approach, encouraging an employee to prioritise taking breaks, getting outside, eating well and taking time to exercise and sleep. They also caution about



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overreaction and that drop-offs in cultural contributions, discretionary effort and sociability with the wider team might only be temporary.

"These shouldn't be 'deal-breakers', and managers need to respect and realise that all people have rhythms and good days or weeks, and bad days or weeks."

BACK ON TRACK

What can be done to re-enthusiase and re-motivate employees?

Often, it's as simple as acknowledging the work that people are doing and saying "Thank you" – and being specific about what you are thanking them for, says LeBusque. "Positive reinforcement is really important to show someone their relevance and contribution to the organisation."

Communicating regularly one-to-one, particularly during remote working, is helpful, says LeBusque. "Talk about their work style preference – about how they do their very best work, so you get the right balance between overseeing their work and allowing autonomy of effort," he says.

"Check in each week about what they are proud of and what they have achieved. There is such a focus on what we are not doing well instead of focusing and reinforcing the positive," says LeBusque.

"Ineffective management is a leading cause of employee disengagement. There are many forms of poor leadership, but research shows that 'absentee leaders' erode staff satisfaction the most."

DANNY LESSEM, ELMO

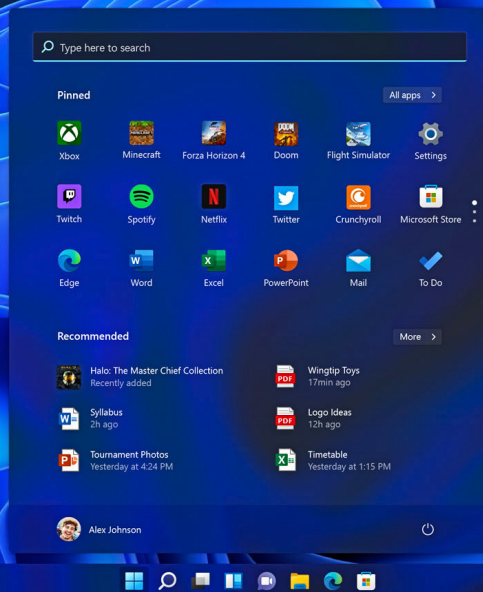
Getting insight into where an employee wants to develop and what you, as their manager, are doing to help them will also make someone feel valued, and they are likely to make more discretionary effort, he says.

Performance and leadership coach Dan Haesler also adds that, while feeling good about your work contribution is motivating, in order to be part of a high-performing and engaged team there needs to be a shared sense of belonging.

"To what extent does your team feel part of the tribe? Do they know you have their back? Do they feel able to be themselves, and can they bring up tough issues without fear of being kicked out of the tribe?", Haesler asks.

"Team members who don't feel a sense of belonging or camaraderie will likely gravitate to the fringes, both literally and metaphorically." ■

In Windows 11, Start
has moved to the
centre of the taskbar.



STORY **GLENN REES**

WHAT'S NEW IN WINDOWS 11

THE NEW OPERATING SYSTEM CONTAINS MORE TOOLS FOR FLEXIBILITY AND HYBRID WORK.

Windows 11, Microsoft says, “is the operating system for hybrid work and learning”. It will enable us to “work or learn at home, in the office or at school, and everywhere in between”.

The truth is, Windows 10, along with macOS and other modern operating systems (OS), already allows us to work, learn and entertain ourselves from anywhere. Nevertheless, Microsoft’s latest operating system offers several improvements to help us use our computers in more flexible ways, more easily.

Here are some of those improvements, along with other changes to Microsoft’s latest operating system.

THE REVAMPED INTERFACE

The first thing you’ll notice about Windows 11 is the more modern, less cluttered interface. Some pundits say the design borrows from Apple’s macOS or Google’s Chrome OS.

However, for the most part, Windows users will find most things work much the same as in the previous version, with one major change – the Start menu has moved to the centre of the taskbar, at the bottom.

Microsoft says the design choice is intended to make it “easier to quickly find what you need”, but those who disagree can move the menu back to its traditional position on the left.

Windows 11 also aims to improve the experience when using touch or a pen on a tablet, by adding bigger touch targets, more gestures and other enhancements.

The new OS also sees the return of widgets, allowing you to bring the news and other information of your choice to the desktop.

A CUSTOMISED WORKSPACE

Among the more useful changes in Windows 11 are new Snap Layouts, Snap Groups and

Desktops features. They offer more powerful ways to multitask applications and customise the way you work.

Windows has allowed users to organise and “snap” windows into place for some time. Snap Layouts offers more ways to arrange windows, while Snap Groups “remembers” the apps and layouts you are using, so you can return to that group easily later.

These features are particularly useful for switching between using a laptop screen and an external monitor, or multiple monitors.

Desktops allow you to create a custom environment for each part of your life – for example, you can have different desktop layouts for work or gaming.

SUPPORTING ANDROID APPS

Microsoft’s Your Phone app already allows you to connect your smartphone to your computers and receive notifications, send SMS

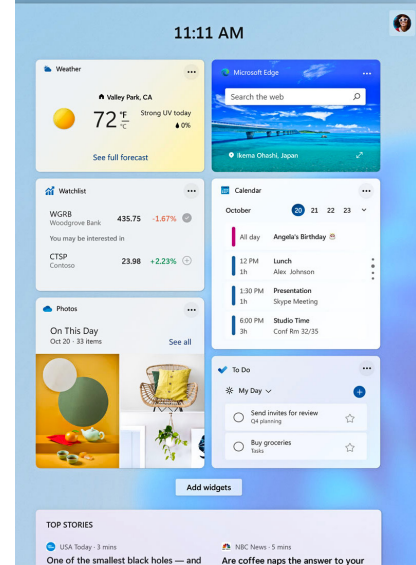
Above: With Windows 365, employees can access their apps, data and Windows settings on any device.



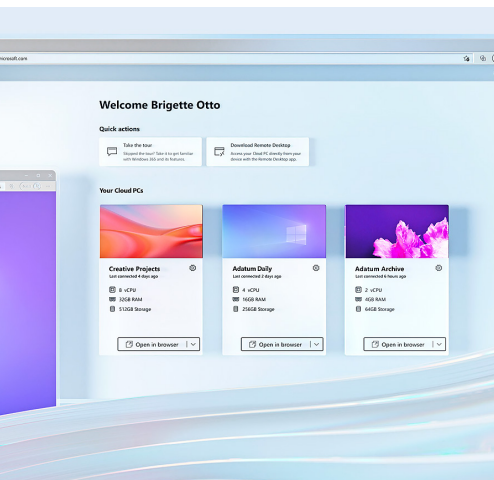
Above: Windows 11 makes it quicker and easier to communicate using Microsoft Teams.



Above: The refreshed Safari allows you to organise your tabs in groups that you can access later.



Above: Widgets is back, putting the information you want on your desktop.



Right: macOS 12 Monterey's Universal Control allows you to drag and drop content between your iPad and Mac.



Apple's alternative

Meanwhile, Apple's macOS 12 Monterey should also be available by the time you read this. Among its new features is Shortcuts from iOS, which allows you to automate everyday tasks, comprising multiple steps and apps.

Many of Monterey's new features are designed to allow your devices to work together. Universal Control, for example, provides continuity between your Mac and iPad. It allows you to use the same mouse and keyboard for both devices, and even drag and drop content between them.

Safari now allows you to organise and save tabs in groups, and you can access those tab groups across Apple devices. macOS 12 also adds incremental improvements to FaceTime, iCloud and more.

messages and more from Windows 10. Windows 11 takes this approach further, enabling you to download and run Android apps "natively" – that is, without needing Android emulation software. You can download Android apps from the new Microsoft Store, via the Amazon Appstore.

The Microsoft Store has been further revamped, no longer restricting the types of Windows apps available, and giving developers 100 per cent share of the revenue they earn through the store. That should result in many more apps on the store, making it easier to find your favourite Windows apps.

TEAMS INTEGRATION

Windows 11 integrates Chat from Microsoft Teams into the taskbar, enabling you to instantly connect with contacts via text, chat, voice or video. With the Teams app now

available for Windows, Android and iOS, Microsoft clearly wants everyone to adopt its communications platform.

UPGRADE OPTIONS

The easiest way to get Windows 11 is to buy a new desktop PC or laptop. Alternatively, it should be available to download by the time you read this. The new OS will be free for Windows 10 users, with one big caveat – you need to be sure your computer is compatible with it.

To run Windows 11, your computer will need to support minimum hardware specifications as well as Trusted Platform Module 2.0, a recent system-level security standard. That will rule out many older systems. Applications that run on Windows 10 should largely work on Windows 11.

WINDOWS IN THE CLOUD

For businesses looking to support hybrid working, Microsoft has launched Windows

365, a cloud service that lets employees use their Windows 10 or 11 system virtually from anywhere.

Windows 365 streams the operating system from the cloud to any device. That means employees can access their apps, data and even their Windows settings on any Windows, Mac or Android device.

The service also makes it relatively easy to deploy, manage and secure what Microsoft calls "Cloud PCs". ■

STORY NEALE BLACKWOOD CPA

USING LET TO SOLVE A DIFFICULT PROBLEM

THE LET FUNCTION OFFERS USEFUL SOLUTIONS TO TRICKY EXCEL CHALLENGES.

I recently received an interesting query from a reader who created a list of departments and full-time equivalent (FTE) values using the UNIQUE function and the SUMIFS function and wanted the final report sorted in descending order based on the FTE numbers, without using any helper cells.

The reader tried using the SORT function on the Department column (created using the UNIQUE function), but that only sorted the department in alphabetical order. The snapshot of data and the current report structure are shown in **Figure 01**, using a formatted table in columns A to D, named tblFTE.

The formulas for the three cells in **Figure 01** are listed and explained in **Table 01**.

I initially wanted to use the new SORTBY function, which sorts one column based on entries in another column. However, that created a circular reference between the FTE column and the Department column. The problem is that column F and column G have two separate formulas, with column G, which I needed to sort, linking back to column F.

Figure 02 shows the progression of formulas I used to arrive at the solution to this problem, without the use of helper cells. I recreated the existing report using LET and then managed to combine the two separate formulas into one table. The solution formula is in cell P2.

Table 02 lists the four formulas involved. These are all dynamic array formulas that spill

Neale Blackwood CPA runs A4 Accounting, providing Excel training, webinars and consulting services. Questions can be sent to a4@inet.net.au

based on their size. I will explain and discuss them below.

The first two formulas in **Table 02** are the building blocks of the solution.

Cell I2 recreates the cell F2 formula using a LET function. The variable u holds the list of unique departments. Having the variable u as the last argument allows you to list all the entries in the variable. This technique is repeated in the formulas that follow.

Cell K2 recreates the cell G2 formula using a LET function. The variable v holds the summed values associated with each unique department held in variable u. Note that the SUMIFS uses the u variable as its last argument.

Cell M2 creates a table that matches the original report. The CHOOSE function combines the two variables u and v into a single table, held in the variable t.

CHOOSE FUNCTION

This function offers an alternative to multiple IF functions and works in a sequential manner best explained with some examples.

The first argument of CHOOSE is a whole number. The remaining arguments are a sequential list of entries separated by commas. One of these will be returned based on the number in the first argument.

=CHOOSE(3,"First","Second","Third")

This formula returns the text Third. If the first argument in the CHOOSE were 4, this formula would return an error, because there are only three arguments after the first argument.

Assume cell A1 contains the date 1/7/2021.

=CHOOSE(MONTH(A1),3,3,3,4,4,4,1,1,2,2,2)

This formula will return 1, which is the seventh argument after the first argument. The MONTH function returns the calendar month, 7 in this case. The above CHOOSE function converts the calendar month number (7) from cell A1 into the Financial Year quarter number (1).

CHOOSE MAGIC

We can use array syntax in the first argument to combine entries. Array syntax has entries separated by commas between braces (curly brackets). Array syntax allows you to use more than one value as the first argument. When

01

	A	B	C	D	E	F	G
1	Date	State	Dept	FTE			1/10/2021
2	1/07/2021	WA	Admin	10		Admin	32
3	1/07/2021	WA	Tech	15		Tech	55
4	1/07/2021	WA	Sales	20		Sales	79
5	1/07/2021	WA	Manuf	10		Manuf	90
6	1/07/2021	NSW	Admin	22			
7	1/07/2021	NSW	Tech	42			
8	1/07/2021	NSW	Sales	62			
9	1/07/2021	NSW	Manuf	89			

02

	E	F	G	H	I	J	K	L	M	N	O	P	Q
1			1/10/2021										
2		Admin	32	Admin	32	Admin	32	Manuf	90				
3		Tech	55	Tech	55	Tech	55	Sales	79				
4		Sales	79	Sales	79	Sales	79	Tech	55				
5		Manuf	90	Manuf	90	Manuf	90	Admin	32				



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03

=CHOOSE({1,2,3,2},"First","Second","Third")

C	D	E	F	G	H
First	Second	Third	Second		

04

```
=LET(
  u,UNIQUE(tblFTE[Dept]),
  v,SUMIFS(tblFTE[FTE],tblFTE[Date],G1,tblFTE[Dept],u),
  t,CHOOSE({1,2},u,v),
  SORT(t,2,-1)
)
```

used as the first argument in the CHOOSE function, array syntax can create a table structure. See example below in **Figure 03**.

=CHOOSE({1,2,3,2},"First","Second","Third")

This formula creates a horizontal list of four entries based on the four numbers between the braces.

Used by itself, this formula spills across the columns to the right.

We used the following CHOOSE function as part of the solution.

CHOOSE({1,2},u,v)

This creates a table with the unique

department codes (u) in the first column and the corresponding summed values (v) in the second column. We captured this table in the t variable. This solves the problem we had in columns F and G, where we had two separate lists.

In cell M2 I have displayed the virtual table held in the t variable. We now have a two-column table that we can use with the SORT function.

In the final formula in cell P2, we take this table (t) and sort it by the second column (2) and in descending order (-1).

SORT(t,2,-1)

LET FUNCTION

RECOMMENDED DISPLAY

When creating long LET functions like these, it can be helpful to display the formula as shown in **Figure 04**.

This defines the variables on separate lines at the top of the formula, and the output is the last entry.

To enter the line breaks in the Formula Bar, use Alt + Enter.

This example shows how powerful Excel's dynamic array functions are and how useful the LET and CHOOSE functions can be in solving difficult problems and avoiding circular references.

THINGS TO NOTE

- By using a formatted table as the data source, you automatically include any new rows added in the calculation.
- The MAX function in cell G1 extracts the latest date from the data.
- The UNIQUE function identifies any new departments in the data and lists them.
- The CHOOSE function combines lists together to create a table.
- The SORT function updates automatically based on the latest values. ■

TABLE 01

Cell	Formula	Explanation
F2	=UNIQUE(tblFTE[Dept])	Extract the unique entries from the Dept column of the tblFTE table
G1	=MAX(tblFTE[Date])	Extract the largest (latest) date from the Date column of the tblFTE table
G2	=SUMIFS(tblFTE[FTE],tblFTE[Dept],F2#,tblFTE[Date],G1)	Add up the values in the FTE column when the Dept column matches the Dept in column F and the Date column matches cell G1. F2# refers to the spilled range created by the UNIQUE function.

TABLE 02

Cell	Formula
I2	=LET(u,UNIQUE(tblFTE[Dept]),u)
K2	=LET(u,UNIQUE(tblFTE[Dept]),v,SUMIFS(tblFTE[FTE],tblFTE[Date],G1,tblFTE[Dept],u),v)
M2	=LET(u,UNIQUE(tblFTE[Dept]),v,SUMIFS(tblFTE[FTE],tblFTE[Date],G1,tblFTE[Dept],u),t,CHOOSE({1,2},u,v),t)
P2	=LET(u,UNIQUE(tblFTE[Dept]),v,SUMIFS(tblFTE[FTE],tblFTE[Date],G1,tblFTE[Dept],u),t,CHOOSE({1,2},u,v),SORT(t,2,-1))

STORY KATIE LANGMORE

ALWAYS PREPARED

IN TRUE SCOUTING SPIRIT, ALAN CHUNG FCPA IS NO STRANGER TO FINDING SOLUTIONS TO PROBLEMS AND BEING PREPARED. HE NOW PASSES ON TREASURED LIFE LESSONS TO THE NEXT GENERATION OF SCOUTS.

“Once a Scout, always a Scout” claimed the founder of the world-famous Scouting movement, Lord Robert Baden-Powell – and Alan Chung FCPA couldn’t agree more. “I joined when I was 11 and here I am, still a passionate member 40 years later,” says the head of indirect tax and transfer pricing practices at Grant Thornton Malaysia.

“I know this sounds corny, but the Scouting spirit means everything to me, and I believe it’s helped get me to where I am today.”

For example, Chung says he lives by the first Scout Law – a Scout’s honour is to be trusted – which means pride and honour are well and truly baked into his work ethic.

Secondly, he explains, “the Scout motto is ‘Be Prepared’. I’m always prepared, and I am even known to be over-prepared,” he laughs. “I have back-up plans for my back-up plans.”

Chung feels that being taught to find solutions to obstacles, often by being thrown in at the deep end and being allowed to make mistakes, is perfect training for adulthood and the workplace.

“I was once handed a whole chicken, head and feet still attached, and asked to prepare it! I was only 12, I had no idea what to do with a chicken.”

Chung joined Scouts through his school in the town of Ipoh, nearly 200km north of Kuala Lumpur, and attended weekly meets and numerous camps throughout his high school years. In his final year of school, he earned the highest Scouting honour that can be achieved in Malaysia – the King’s Scout Award – presented to him in a formal ceremony by the Regent of the state of Perak.

When Chung moved to the US for a school exchange, to Kuala Lumpur to attend university, and then to Australia on another exchange, he continued his involvement with the Scouts.

“Soon after I arrived in Kuala Lumpur, I was walking past a high school and saw a Scout troop inside – and I



Above: Alan Chung FCPA (second from right) at a Scouts training event.

Below: Chung instructs a group of Scouts in constructing a tower structure.



itched to be involved! I walked into the school, told them I was a King Scout and asked how I could help,” recalls Chung, laughing at his own audacity. “I ended up being a Scout leader there for 15 years – first as Assistant Scout Master, then Scout Master and later Senior Scout Master.”

Chung feels strongly about giving back and passing on the leadership skills that he has been fortunate enough to develop through his Scouting career. While work and family life mean his day-to-day involvement has slowed down, he is still involved with the organisation, currently preparing the 100-year celebrations for his old school troop (as he did 30 years ago for its 70th, after discovering during a research project that the school’s first troop dated back to 1921).

Chung and his fellow Scouts are hoping to bring together the Scouting community from around the country for a mass camp of activities and competitions.

“Sadly, the first planned celebration was postponed due to COVID-19,” says Chung, but ever the Scout, it is likely he won’t let a little blip like the pandemic get in the way of his plans. “If a Scout hits a wall, they work out a way to go under it, over it or around it,” he says. ■

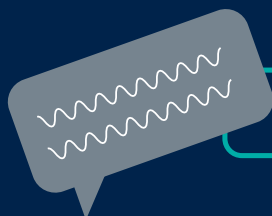


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The Scouting movement was founded in the UK by Lord Robert Baden-Powell in 1907. It quickly spread throughout the world, with Scout groups starting in Australia in 1908 and Malaysia in 1909. By 1937, more than 2.5 million members from nearly 50 countries were affiliated with the Scouts. Now known as the World Organization of the Scout Movement, it is the largest international Scouting organisation in the world. [scout.org](https://www.scout.org)

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