



Small Firm Big Impact

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EPISODE 4 TRANSCRIPT

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PY: PAUL YOUNG

MP: MATTHEW PROUSE

JS: Hello and welcome to the CA Catalyst Podcast - Small Firm Big Impact. I'm your host John Schol, chief executive at Malloch McClean. In future episodes, we'll investigate advisory and its impact on your firm and your clients. But in this episode of small, firm, big impact, we'll be talking compliance and is it really on the brink of extinction, or does it have a favourable future? And if so, where does that impact really lie?

With me to share their opinions and experiences are Matthew Prouse, head of industry at Xero, and Paul Young, a director at Whitelaw Weber. Matthew, Paul, welcome to you both.

MP: My pleasure, John.

PY: Hey, thanks. It's good to be here.

JS: Now I want to start by giving our listeners some context around our guest today, Matthew has been drinking the blue Kool Aid at Xero for the last seven years and seven months. And I love talking to those that have been a part of the Xero story for so long and have seen so many changes. And then there's Paul Young, from Whitelaw Weber. I have some inside information on Whitelaw Weber - we were in the same accountability coaching group for several years, and I know the crew in Kerikeri are ahead of the curve. So I'd like to encourage listeners to check out their website, wwc.co.nz. If you want to see how a modern accounting firm is communicating with its clients today. So with both of you living with change, let's talk about death for a moment. The one thing I've heard that's potentially dying is compliance. Paul, can I start with you? Do we really need to start planning compliance's funeral?

[01:28] PY: [laughs] I think I've been hearing this, I've been hearing this narrative probably as long as I've been involved in public practice. What I see on the ground is that it's far from dead, in fact, it's only getting more and more complicated. As tax rules change, what we're seeing is clients have less and less time to, to deal with themselves. And they look they look to us to be to be the professional advising them. So, it's gonna change and it has in the past as tax laws change and just in the last handful of years, we've had the bright line rules come in, we've had ring fencing rental losses, we've had Airbnbs explode and the GST consequences around them. So I think it's far from dead - I think it's alive and kicking.

[02:10] JS: Matthew, now Xero has been at the forefront of change in the accounting industry. What are your views on compliance, and how close to death it is?

MP: There's no way breathing that compliance is on death's door or even approaching it. The reality is, as long as we have laws, we're going to have compliance and last I checked, no one's proposed to get rid of all the laws. And therefore we're always going to have a situation where, where compliance is a critical part of things. Anything involving a transaction or a relationship between two parties and two people, we're going to create accounting, when you create accounting, you then have to have some transparent rules and principles that you follow that others can follow so that they can mark your homework and have trust and confidence in the system. The honest truth is compliance will change and will continue to change and it's not a new thing. Self assessment was introduced to the Australian tax system in the mid 1980s. In the mid 1980s, everyone was saying compliance is going to go away, we're going to get rid of tax returns, we no longer have to provide full substantiation, this is going to be the death of the accounting industry. For anyone who's been in practice, since 1986, would definitely turn around and say they are not less busy than they were in 1986. And I think the reality is as practitioners, as long as there are Parliaments and as long as they make new laws, or change them or reinterpret them, compliance is going to be here to stay.

[03:31] JS: Yeah so Paul, just want to pick up on a couple of points that you made, and so far is that perhaps compliance is changing over time and what we're doing is combining both advisory and compliance together. Do you see the two merging closer and closer together now that we've got live up to date data, now that we have tools that look into the future, as well as the past?

PY: Yes. Yeah, I think you're right. When Xero came along, or at least online software, it gives you the ability to not only assemble a two monthly GST return, and get that right. But then you've got live data that you can then go straight into a conversation about - are you tracking ahead or behind where you think you should be where your budgets are? Where you were this time last year? So, you're right it's allowed them to probably work a lot closer than they have in the past. Yeah I'd agree with that. Definitely.

[04:25] JS: And Matt, I suppose you've seen a lot of notable differences in reporting over time, and even through COVID, as well, there's been some changes and some disruption there. Looking forward with the ATO and the New Zealand IR, what changes do we see coming up and how are they going to affect the profession?

MP: So I think if we step back for a moment, and sort of just process the last 12 months, or think about the promise of the last three or four years from both of the revenue agencies, and what they've delivered through initiatives such as single touch payroll in Australia, payday filing in New Zealand. We are making the compliance process more seamless and better connected to natural business systems. So if you think about the design of something like single touch payroll in Australia, effectively every employer is reporting the pay run information of every employee with each and every pay event. The information is coming straight from their payroll software straight through to the ATO, it's being designed as being part of the normal process of running payroll. Whereas if we went back 10 years, it would be a separate form - a bit like a GST return or an activity statement and we would be submitting something discreetly and independently and call that compliance. And if we think about the experience that we've all been going through, the

introduction of the job keeper subsidy in Australia has brought in part a new monthly compliance obligation - a reporting and disclosure obligation - for employers and businesses that are receiving the subsidy here in Australia. The job maker declaration, the next one on the list, which is about providing employment opportunities for recently and long term unemployed in Australia will also come with a monthly reporting obligation. This is compliance work, every single one of these is a new form of compliance that's being delivered monthly rather than annually. And I think that's probably the big thing. If we were to wave a magic wand and redesign the tax system in Australia and New Zealand today, it probably wouldn't need paper based forms, but it certainly wouldn't be compliance free. So we'd probably get rid of the two monthly GST return or we change the way the two monthly GST return works, or the quarterly activity statement and go, we've now got these digital systems like as Paul was talking about, maybe we could do this monthly or weekly or fortnightly or daily. That's your future state. Now, how do we get to seamless filing where it's just part of the natural process of running a business?

[06:36] JS: And that's a really interesting question to ask because as accountants and in public practice, for us, we rely on deadlines and we rely on certain times of the month and the year to get things done by and if we think about preparation of management and statutory accounts, preparation and lodgement of tax returns, specialist tax advice, the tax planning, business activity statements, they all revolve around dates. And as humans we tend to need dates to keep us accountable, but also for us to allow work to be done in a timely manner. And we're all creatures of habit, we all work in different ways. But these sorts of dates and hard deadlines, and

I guess the same thing happening all the time, allows us to get into a rhythm and to plan.

And so if we're looking at these changes that are starting to occur in our businesses, what does best practice really look like? Should we be completing things internally? What should best practice be? Should we be looking for internal accountants to do it? Should we be outsourcing? Should we be partnering with bookkeepers? Or should we be doing all of the above and so this could quickly change the landscape of the accounting profession, and public practice accounting, if things were to change dramatically from where they are now. Paul, what do you think about the changing landscape we're in?

[07:55] PY: If you're talking about the model of, do we keep it all in house, do we outsource that sort of thing? Very hard to know. I mean, we've had experience in both. And each has their pros and cons. If we're thinking of replacing a person with that workload that we need to fill, if we outsource, then you've got to have a champion of that, that looks after the administration and that sort of thing. Generally, the outsourced person doesn't really have the client contact, either that an in house client manager would, which we like to make sure that there's a lot of good contact between our client managers and our clients. One of our core values or our mission is to enrich local families and communities and so part of me thinks if I'm going to outsource something, especially overseas, are we living into our mission and core values? So it's hard, and I don't think there's any perfect solution.

[08:43] MP: I think, Paul, if we think about it, that the future of compliance in the future of best practice is choice. And I think ultimately, that's what it

comes down to, as a business owner, as an operator of a practice, you will get to make a choice. You know, in answer to your original question John, it's definitely all of the above. I think the future is all of the above, just like the present is currently all of the above. The choices that we'll be making are choices about which technologies to apply, which services to offer internally, which services to outsource, which services to partner and that will vary depending on the way the firm wants to work, the kind of clients that you want to attract into your business and and the way you want to build your revenue and the kinds of technologies and systems that are available. And they'll all change over time, and they continue to change over time.

[09:25] JS: So Matthew, the ability for accounting practitioners to be able to plan strategically for the future is becoming more and more important, isn't it?

MP: Absolutely. Start to ask some fundamental questions like what kind of practice do I want to run? What kind of business do I want to ultimately sell or sell on or, or pass on. And you get to change your mind, too. So you get to go down one path, and it might work for a period of time and then you get to - pivot, change your strategy, respond to circumstances and do something a bit different. And we're hearing that all over the world, and I think technology is just the delivery mechanism to give people choices to plan their strategy. But if we think about the big picture, if we think about the ultimate goal of policy and of policymakers, it's about making sure things are better connected, it's about moving to systems that are not just high trust. If you think about the traditional paper based tax system, it's a high trust model. Broadly the regulator assumes that we've done our job properly, as practitioners, they take our word for it, we're moving from high trust to high

integrity, the data is clean, the data is reconciled, the data is checked, those things are sort of the shape of the future and so you sort of can plan for the systems to get better. You can plan for the processes to become simpler, you can plan for the requirements to keep changing. And if we think about even something like payroll, payroll seems really simple, at first thought, we think, okay I've got obligations as an employer to comply in the Australian context with the ATO and the tax obligations. But if you actually dig underneath payroll, you go actually, there's a lot more, there's the modern awards, or the award interpretation, which is the Fair Work Commission in the Fair Work Ombudsman, I've got obligations to the Department of Human Services around child support and parental leave and any court ordered garnishees, I've got to think about things like the workplace gender equality agency reporting, and privacy and security and long service leave and payroll and tax and payroll taxes in states. All these things are just dimensions of the same simple experience. And so those simple experiences, quote, unquote, payroll is simple, aren't going anywhere. We get to design the process in the way we want to run our firm to work inside those rules. But those rules always will change.

[11:48] JS: So if I'm sitting here listening as a practitioner, and I'm thinking about where I want to go to in the future, and thinking about where I am now, how do we manage the workflow and the changing mix between advisory and compliance services, it's a bit of a chicken and egg type environment that we're currently living in, because one's pushing closer to the other, and the timeframes around both seem to be changing in the eyes of the clients. Paul, how are you dealing with it inside your practice?

[12:05] PY: Yeah, its tricky, we've just scratched the surface of trying to get compliance and business advisory running smoothly together. You were talking earlier about dates, that drive a lot of our action and in compliance, it's very much like that, we have our main balance date is March, and then we have our primary sector guys in May and June and so we have a work curve a bit like, a bit like the COVID curve, we're trying to flatten the curve, we get all this work in compliance, wise, and we're flat out now, and then, might drop off in February, March. And that's a fundamentally different model or work load than what your, your sort of Business Advisory, which might be a lot more steady, where you're meeting quarterly, or two monthly in sync with GST returns, that sort of thing. Our workflow management system that's set up and works fantastic for compliance, doesn't really work at all for Business Advisory, because the milestones are all different. It's a real balancing act getting them working well together, we've found. But it also comes back, I think, to the first question is, how much do you want to get involved in? How far down that track of Business Advisory do you want to go? Are your directors interested in it? Do you have staff that are interested in it? So you've got to answer those questions first, before you go down that track. Whether or not in 10 years time, they can work cleanly and efficiently together, I don't know.

[13:27] JS: And Matthew, spending some time thinking about what the accountants are going to be doing in the future. And what sort of skills do you think practitioners should be thinking about instilling in both themselves their team members?

MP: So if we think about the accounting profession, it's fundamentally a human interaction. It's an interaction between the professional, the trusted

adviser and it's universally accepted by governments on both sides of the Tasman that for the majority of small businesses, for the majority of commercial entities the trusted advisor is the accountant or bookkeeper. They are the person that ultimately a business owner turns to and asks tax questions, financial questions, increasingly things like cyber security. All the other dimensions that make up the world of business or the world of commerce in the 21st century. So the first and primary set of skills for a good practitioner is a combination of curiosity, and the human interactive skills, the communication skills to translate legislation, to translate fear and uncertainty and client concerns into a set of concrete, measurable outcomes. So the skills that staff have today, and will continue to invest in the interpersonal skills about collaborating with one another, communicating to their clients, the analytical skills to actually break down the information, and if we think about it, as business becomes more digital, we're now looking at things other than just receipts and bank statements, we're now finding the sources of evidence and necessary information, not just in accounting software like Xero, but a retailer, you might as an advisor need reports out of Vend, their point of sale system or documents out of hub dock as well. It's not just all in the accounting ledger anymore. It's across the whole platform. So being able to pull the picture together and communicate it and tell the story and ask questions - those are the critical skills of an advisor and I'd argue those are the critical skills for an advisor last century and even the century before that. So I don't think it changes, I just think we're going to have to get better at some of the communications skills and styles. I think accountants and advisors focus a lot on written communication, we're now going to have to all become - as COVID has taught us - experts at video calls and conversations a different way. And so how we document those conversations, the notes, how do we

build rapport, how do we establish connection with a customer via a webcam, because we can't shake the hand anymore or we don't see them face to face the way we used to - speaking of someone who's been cooped up in Melbourne since February. Those changes are some of the changes that may impact the profession going forward. What does the future end state look like? The future end state of compliance, as we know is seamless, it's more simple, it's better connected to natural processes. We have that with payroll, we've got an example of that working in New Zealand around provisional tax, which is the accounting income method. I'm a recovering accountant who practised in Australia for eight years, I don't pretend to be an expert on New Zealand provisional tax, and how it applies to small business. I've got two New Zealand based practitioners who can tell us the story and demystify accounting income method and sort of talk about what kind of compliance that represents and we can go from there.

[16:40] PY: Yeah, that's an interesting one, the AIM method, I'm not sure how many of our clients are on that. Theory is good, I think the theory is good you can use your profit and loss from your GST compliance activity to essentially look at your income tax. For a simple type of firm that might work well, but I immediately think of things like the primary sector. We're a rural accounting practice and we have a big chunk of our book, that are sheep and beef farmers, hort[iculture], what that AIM method wouldn't bring in is, closing stock on hand. You've got lot of tax concessions for farmers where you can defer income for tax breaks and all sorts of things. So, I think it's got its place definitely for middle of the road plain vanilla firms and would probably work quite well. But I think you could very quickly come up with examples where it's probably going to struggle so I don't know whether technology would adapt with that to allow for that or what would happen.

[17:30] MP: I think what you're flagging there, Paul, at the moment in taking the Australian income tax context, we make every company in Australia fill out the same company tax return and effectively the company tax return that's provided to a small cafe downstairs underneath the apartment I'm currently recording from, is the same company tax return as we give Xero or Google or BHP. And I think that that sort of the stationary being standard, instead it's going to be the stationary is flexible to recognise the different circumstances. And I think the example you've got there of concessions for primary producers and changes, that's what we're going to see - we're going to see almost a future where there's a compliance process for farming customers or farming businesses, that is actually different, potentially, to the compliance process for a retail business or professional services business. And that may mean different stationary, different reporting obligations, different tax concessions. We are heading down a world where tax and other stuff just happens, where ultimately the compliance process is just almost tailored to the kinds of business activities that the taxpayer has and almost even the kind of advice and the kind of support they have from their agent as well.

[18:37] JS: I think that reflects that compliance isn't dead, and it's not going to die anytime soon, because there's going to be so much interpretation that's going to be required for anything that happens inside a tax return, because there's lots of decisions to make. Because there are, especially in New Zealand, there are a lot of concessions given for the agri[culture] industry, for example. And so with that, it requires professional advice and also clients don't understand a lot of the nitty gritty, the ins and outs of what is best for them, and how they should be approaching the particular business or how they should be approaching their filing of their own tax returns. So Matthew you also touched on that earlier on as well how, whenever there is a

parliament, and whenever there are politicians, they'll always need professional people to try and unwind what they're actually trying to get to with the intent of the law that they're passing.

[19:24] MP: Absolutely. Australia is blessed with the world's second longest and most complex tax code. When we talk about simplifying tax at a policy level in Australia, examples such as the UK and New Zealand usually come up as sort of a potential future state and it's very obvious that the New Zealand tax code is not a single sheet of paper and a really simple process. And that concept of interpretation and change, we saw that all through COVID with the job keeper subsidy - businesses needed to have a projected 30% drop in turnover, and then they'd be eligible. And then broadly, as the pandemic continued, it was very obvious that there were a group of businesses that probably should get the subsidy that weren't eligible. So seven alternate tests were introduced. Then the treasurer gave a speech and suddenly changed the qualification period and then the legislation changed another couple of months later with job keeper two. This kind of agile legislation is always going to have a role for interpretation and advice and compliance

[20:25] JS: So if we've all come to the conclusion that compliance isn't dead, where are the areas of growth and revenue opportunities that are currently available for practitioners listening to this? Paul?

PY: I think it's a matter of what extending probably current services you do. So let's take the example you've done the third two monthly GST return, and you see that you've scanned the p&l year to date, and you can see that they're down in their sales, or, or their wages are blowing out, that's the natural time to, to take a proactive stance and contact them to say, look do you realise, if you carry on like this, you're either not going to make profit, you're not going

to make your targets, do want to meet up and work out what's happening? Amend your forecast, and probably roll that into, whether it be a regular catch up, or a one off meeting. So, I think it can stem from some of the core compliance work that you're already doing. Same when you're looking at annual financials, if you're seeing things in there that you think they should be taking action on, then when you meet your annual general meeting or your interview, that's the time to say, have you addressed these yet, or, and if not can we help you do it? Can we help you do it? Can we get you a business plan? Or what, what are your plans here for your cash flow? So I think it can roll directly out of your core compliance work, but you've got to have the mindset to be looking for that.

[21:39] JS: So what I'm hearing you say Paul is that people need to be proactive, commercial, be able to communicate, and perhaps be able to sell those additional services or convert those opportunities into projects.

PY: This is possibly the biggest challenge for chartered accountants. We're good at solving problems, when they're presented to us clients come in, they need a cash flow forecast, they need a restructure, so we solve the problem. I think the coaching type of mindset, or the business advisory, is a lot more proactive where you find something that you think the client should be doing, and you proactively go to them and say, look, you need a business plan, or you need to restructure, I don't think we're good at that.

[22:21] JS: Matthew, have you got anything to add in the area of the skill set required by the modern accountant?

MP: I think the skill set for a modern advisor or a modern accountant is to identify those questions. What are those questions that my customer is going

to have? Prime Minister gives a speech, there's an election, there's a policy, there's a change, it's going to trigger a question, they're going to ring you. I'll put it another way: a business owner is going to ask someone about that question, you want to make sure that you are the person that they talk to, you want to make sure that you have an open practice and almost an open door so that they have the time to pick up the phone, or come in and see you or quickly create a video call and go, I've got a question. Can you help me with this? Can you help explain this for me? Can you translate this for me? And that of course gives you the opportunity to go, well, this is what this is, and this is what it could mean for your business and sort of being able to identify the root cause of the question and then being able to seize the moment to create an opportunity. Compliance is an ongoing activity now, it's not an annual return, so much like flattening the curve or bill smoothing, it's now going to be a far more and it is a far more regular conversation, because the rules are not just changing once a year now. So the skill set is about - one, being approachable so that people ask the question, and two, being able to identify in the answers the opportunities that you're creating for different services or different ways of broadly removing people's uncertainty, anxiety and doubt.

[23:45] JS: Do you think that accountants are doing enough Matthew in regard to educating the clients on the changes that have taken place and the fact that there are a lot of questions that need to be answered?

MP: I think practitioners on the whole do their best or try to. I think there's always a risk because we're all tax nerds, we're all excited about tax and compliance. We went to university for years to study it and get our head around it, that we assume a lot of knowledge is given. And my normal pub

test is ask any practitioner to explain fringe benefits tax to the person sitting next to them in the pub. Just try, just explain how fringe benefits tax works. I think the challenge is, we have to recognise the audience of our emails, the audience of our communications, they're not thinking about fringe benefits tax or the instant asset write off - those six words don't make sense. And so it's really about how do you tell the story of fringe benefits tax? How do you tell the story of the additional concessions for asset purchases in Australia and not use words like fringe benefits, tax or instant asset write off? So I think we've all got to become better storytellers as an as a profession.

[24:55] JS: Paul, can I perhaps just bring you in on this? And can you just tell the audience a little bit about what Whitelaw Weber are doing to educate the clients and with some of the events that you guys are holding?

PY: Yeah it's tricky - over lockdown we ran a weekly webinar and have a different sort of third party person come in a solicitor, a banker we did one week, I think a marketing person and they worked really well. But I think they worked really well because you had a captive audience over those six weeks. As things have got back to normal we're finding people are very busy they've got a lot on and we're probably just using our traditional communication method. So we've got our Facebook page, we have our regular newsletter. The problem is there's just so much information out there and it's freely available. The balancing act I think for us is to make sure what we're sending out is relevant to people, exactly what Matthew was just saying. Because there's so much information out there already - it's freely available, people can look it up for themselves. So I think if we're going to do it we have to make sure it's relevant, and we use language like Matthew says, that they can understand.

I often say to people in a meeting you know if I refer to drawings, I'm talking about what you take out of the business, not paintings on the wall because with our jargon and lingo that we have to check in that they understand what we're actually talking about.

[26:12] MP: The challenges of language are one of the biggest challenges of the accounting profession. We are hardwired to turn everything into numbers, because that's what we believe makes sense to us. But at the same time, our customers we need to be able to communicate with them in both numbers and words. And don't underestimate the opportunities that creates to become specialists if you get really good at translating between words and numbers and using different language and approachable language. A very long time ago, my practice when I was in practice in Western Australia, where we were located, we had a very large migrant South African population. So we were the only accounting firm in Perth with a website that was in Afrikaans and English, because we recognise we were attracting migrant business owners from South Africa to our firm and yes, they had fantastic English as a general rule, but being able to provide additional content in Afrikaans was hugely valuable to those clients.

JS: So Matthew, we've talked about convergence of the work that we've got the compression, so our workload compressing. What about consent? Do you want to talk a little bit about that and the use of client's data going forward.

MP: If you read some of the recent McKinsey studies and looking at some of the cultural impacts of the current pandemic, you get statistics like broadly, the economy has gone through 10 years of digital disruption in 10 months. In Australia and New Zealand, around the world we've embraced technology at such an accelerated rate that we've now got a new normal around the

technology. And that's certainly true in the accounting profession, if we think about the impact that the single ledger and cloud accounting and Xero and the apps in the ecosystem have broadly had on the profession and it's been quite profound over the last 10 years. But if we think forwards and we look at things like the conversations that are occurring in the policy sphere around open banking or open data and consumer data rights, we realised that as business has become digital as technology has effectively consumed paper and paper processes, we're now starting to have a different discussion about data and control and consent. So if we think about a COVID normal digital future for things like compliance in the accounting workflows, if the person who owns the bank account has an absolute legal right to control, where the data contained in that bank account is sent, is shared, who it shared with who it's sent to, and that process is applied to things like bank feeds, but also if the accounting data that's created on the back of those bank transactions are classed as derived data as they are under the consumer data right in Australia, either clients still have control and consent over where those accounting transactions go.

So where they're shared, how they're shared, what systems they're stored on and as a practitioner, if we look at the the rules for the consumer data right, in Australia, which will power open banking, going forward over the next few years, every 12 months, I need to get consent from the account holder from my customer, to be able to maintain the data feed. In the UK already where they've had open banking for a little while longer, it's 90 days, so every 90 days, you almost have to renew and reactivate the bank feed in the UK. In Australia, and hopefully New Zealand it will be 12 months or a little bit longer if we're all lucky. But this concept of consent, of explaining to the customer what you as the advisor are doing with the information you're collecting, how

you're using your software, what your software does with it, even even, you know, making sure as practitioners that we don't necessarily experiment on client data, see how a new app might work for a customer by actually connecting it to their live file without telling them first, because I think the the conversation that we're we're walking into and it applies to advisory it applies to compliance it broadly just applies to the future of accounting and bookkeeping. We're going to have to get a lot better at explaining to our customers what we are doing with their data where we're sharing it. They want to know, they need to know. And I think that's really important when we think about what that future compliance process is becoming, recognising that that consent model is assumed, but it will need to become potentially a lot more explicit. And we see it in the security framework that governs e-invoicing across Australia and New Zealand and in the security framework from the ATO that governs the use of software. Many listeners here on either side of the Tasman have got customers using cloud accounting software in Australia, they've now got mandatory multi factor authentication, those sorts of things are about controlling who can see the data, who's consenting to having the data, and ultimately where the data is going. That's part of the future as well.

[30:53] JS: for me, this notion of regulation and technology coming together, and I think they call the term reg-tech. That's going to be our friend, isn't it? Because it's going to teach us or tell us how to better manage our clients' data as we go deeper and deeper into the different facets of their life with the information that we've been provided with.

MP: That's the exact purpose of reg tech and there are some fantastic examples of reg tech. And reg tech's about more than tax and accounting

and HR and people management. Reg tech can potentially help us do things like identify which permits I need to open a cafe in Auckland versus Lismore. The reg tech opportunities will create new forms of advisory for all of us, new ways, but it also create new kinds of compliance. If we even think about hiring people, we need to check that they have a right to work, and double check that you really do have a driver's licence, or you really do...you are on the right kind of visa to work and have a permit to work in Australia or New Zealand or wherever you're advising the client. So reg tech's, really exciting, and will create so many opportunities as it makes sense of data. And the other thing, all of this will ultimately lead to a better future where, not only are we providing cleaner data as practitioners into government –but government will be in a position to give us different data back, better data back, more transparent data, ABS and statistics New Zealand data. So if you're having a conversation with a client, which will probably lead into sort of the next episode in the series around advisory, if I'm thinking through that future state, if someone comes to me and says I really want to open a cafe in Takapuna, you're going to be able to look at the publicly available business performance statistics from something like statistics New Zealand or the Australian Bureau of Statistics, and work out what the realistic outcomes or performance of that cafe or this new cafe will be in that suburb and go, oh well there's actually 41 cafes in Takapuna, do you want to be the 42nd? This is the future we're heading to, with consent with better data with a better approach.

[32:52] JS: Thanks for that insight Matthew, that's excellent. Paul, just want to touch on the sole practitioner or the small practice owners listening to this, you're part of a forward thinking modern practice. What would be the one

piece of advice you would give someone starting out on the journey, looking to get involved more with technology and utilising it within their business?

PY: You've got to embrace technology otherwise you're gonna get left behind. Clients demand it. So you've got to keep up, you've got to research, but you don't have to be all things to all people. I think as things get more complicated, there's so many technology solutions, add ons, I think you have to decide what it is you want to do, and be really good at it. And that's that pull type of marketing theory where you know, if people know you're good at a certain thing, they'll come to you.

[33:42] JS: So we've had some fantastic takeouts from today. We know that compliance definitely isn't dead, we know that you have choice, you should follow your purpose and go forward with curiosity and empathy. So thanks again to Matthew Prouse, head of industry at Xero, and Paul Young director of Whitelaw Weber.

PY: Thanks, John.

MP: Thanks, John and Paul, really happy to talk to you all.

JS: And that's a wrap for this episode of Small Firm Big Impact. If you'd like to continue the conversation further, then please visit the CA Catalyst community and my CA, where both myself and our guests will seek to answer any questions or burning issues that you may have in regard to this episode. And please don't forget the amazing resources that your membership with CA ANZ entitles you to. I would highly recommend that you check out the website where you'll find practical resources like the workflow automation playbook, and Catalyst resources on reg-tech. My personal favourite, of

course is LinkedIn learning which is free for CAs. And finally, I'd encourage you to check out the CA ANZ library and of course the tools and resources hub on their website, that provides plenty of great insights and practical documents to help you in practice. I'm John Schol, this has been Small Firm, Big Impact. I'll speak with you again soon.

[END]