

## Professional development is right step for new year

Now may be the perfect time to undertake work-related training, writes **Rachel Lebihan**.

It isn't just the office workaholic who embarks on professional development training during the summer months.

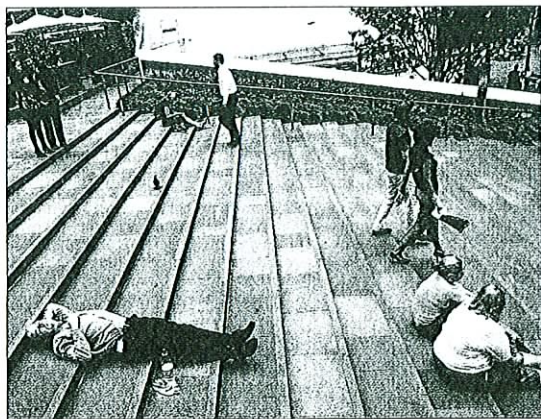
For many people it's a way to eke a little more time out of the holiday season. And staff that worked while those with children took time off over Christmas view it as an opportunity to kick back a little when colleagues return.

The director of marketing at Melbourne Business School, Alex Christou, said many people were keen to undertake professional development early in the year because they came back to work refreshed and ready to activate new year resolutions.

"There seems to be a greater motivation right at the start of the year," Mr Christou said. "It's a fresh year and a clean slate and lets us address particular issues through learning and development."

MBS offers five residential programs during February, including a six-day senior management program, and a five-day leadership development course.

They are held at its beachfront Mount Eliza campus in a heritage building overlooking Port Phillip Bay. "It's a little bit like a holiday in itself," Mr Christou said. "But reflection is a central theme to the working process and the environment contributes to it." Chifley Business School



Holidays aren't just for lying around; they can be used productively. Photo: LOUIE DOUVIS

specifically targets the summer months to allow existing MBA students to fast-track part of the program. From late November through to the end of January, students can compress the normal 20-week study period into half the amount of time. About 30 per cent of students take up this option.

"It's geared to people who have got that time during summer, the down time at the office, to accelerate their learning," Chifley chief executive Neil Edwards said.

"They can take their material to the beach or sit in the quiet time in the office and get some work done."

Chifley also offers some public enrolment courses in early February in areas such as finance, project management, asset management, and people skills, although these programs do not go ahead if insufficient numbers sign up.

"By and large we do run those courses," Mr Edwards said. "People are keen to get going at the beginning of the new year. It's almost a New Year's resolution."

The University of Queensland Business School doesn't offer any of its 12 open enrolment courses until March at the earliest. But there was

increased demand for tailored in-house programs as bosses recognised the quieter months were a good time for staff to pursue professional development, said the director of executive education, Jim Nyland.

The associate dean of postgraduate programs at the University of NSW's Australian School of Business, Chris Adam, agreed that businesses were starting to recognise the benefits of running executive programs during the quieter months.

"We normally don't offer things in January because it's quiet," Professor Adam said. "But we're currently responding to corporates who have approached us about that being a possibility."

Macquarie Graduate School of Management will deliver eight executive development programs between February and Easter covering areas such as leadership, supply chain management, and strategic thinking.

The school's director of executive education, Craig Hawke, said programs earlier in the year were of great benefit to managers, "because they've got time to pause, reflect, and develop new skills before the year gets really busy".

## Gwalia decision cuts bond issues

Rachel Nickless

### KEY POINTS

A High Court decision giving shareholders the same rights as creditors of failed companies has reduced the ability of corporate Australia to access overseas money markets, bankers and lawyers have warned a federal inquiry.

The Australian Financial Markets Association said that up to 15 per cent of US bond market investors "have explicitly stated they will not invest in any unsecured corporate debt as a direct consequence" of the Sons of Gwalia decision, which allows investors in the failed miner to claim compensation on an equal basis with creditors.

In its submission to an inquiry into whether the law should be reformed, AFMA said the volume of unsecured corporate bonds issued in Australia had fallen from \$9.7 billion in 2006 to \$3.1 billion in 2007.

While the US sub-prime crisis was a factor, the figures indicated a "significant reduction" in activity since the Sons of Gwalia case, which was first decided in 2006.

"The indications are that reduced corporate bond issuances reveal a tightening of the market and reduced limits of risk appetite which are consistent with the market's negative reaction to the decision," AFMA senior policy executive Patrick Seary wrote.

"There is a degree of uncertainty prevailing in international financial markets and, in these circumstances, the Sons of Gwalia decision is an added element of concern."

The decision opens the way for shareholders in other insolvent companies to claim compensation if they can prove they were misled, contrary to the US and Canada, where

■ Unsecured corporate bonds issued fell from \$9.7 billion in 2006 to \$3.1 billion in 2007.

■ There is some support for the Gwalia ruling to be nullified.

creditors rank above shareholders in insolvency claims.

The Corporations and Markets Advisory Committee issued a paper outlining options to either reform the law and nullify the Sons of Gwalia decision, or to leave the law as it stands. It received 14 submissions by the December 21 deadline. The majority called for reform.

But litigation funder IMF argued that the experience in the UK, where the law is the same as it is now in Australia, showed that Sons of Gwalia would not affect the cost or availability of debt.

The Australian Securities and Investments Commission also favoured retaining the status quo under Sons of Gwalia, saying it reinforced investor protections and was unlikely to result in an avalanche of investor claims.

But the Australian Bankers Association, Chartered Secretaries Australia and Baker & McKenzie had similar concerns to AFMA.

Baker & McKenzie said US investors were "concerned" by the decision.

"US private placement investors have a particularly keen understanding and appreciation of the risk that the Sons of Gwalia decision poses because they have suffered from losses as a result," wrote partners Bruce Hambrett and Andre Reilly.

## ATO loosens reins on racing industry

Patrick Durkin

The Australian Taxation Office has in effect conceded defeat against the horse-racing industry, announcing it would not appeal against a case that found horse breeders do not need to make a profit to qualify for tax deductions.

The case involved a 310 hectare farm at Cheverell Park, 45 kilometres north-east of Perth, which had bred Suffolk sheep and thoroughbred horses since 1996, including marketing horses to sell in the Magic Millions and other sales.

The ATO argued the farm was a hobby because the partnership had consistently made a loss since 2001 and had no formal business plan.

However, late last year, a senior member of the Administrative Appeals Tribunal, Andre Sweidan, had "no hesitation in rejecting" the ATO's arguments.

The ATO has now issued a decision impact statement advising it will not appeal against the decision.

"The commissioner accepts that the decision is one that was open to the tribunal on the view of the evidence taken by the tribunal and will not appeal the decision," the statement said.

The ATO also said that it would take the decision into account in finalising its draft taxation ruling in relation to the industry including deductions for fees, vet bills and float

expenses as well as race-day costs.

Last year, the ATO issued a draft tax ruling that cracked down on deductions claimed by horse breeders, owners and trainers.

It focused on those who claimed to engage in horseracing as a business, rather than a hobby, for which expenses are not deductible.

A tax specialist for the horse industry, Adam Tims, said it appeared the ATO had in effect conceded defeat.

**"A horse business is subject to unforeseen circumstances."**

"It is our experience that the ATO approach to audits of horse industry participants has become more reasonable and common sense appears to be prevailing," he said.

"The ATO perhaps finally realises that a horse business can suffer losses and is subject to unforeseen circumstances."

Mr Tims said that the favourable decision was good news for the horse industry at a time when it needed it most.

"The outbreak of equine influenza has also reinforced the size and significance of the horse industry - that should bode well for the ATO and government's approach to equine matters," he said.



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