

## President's message

Business leaders are under more scrutiny and are more accountable than ever before. An integral part of our vision of leading the profession is to lobby on behalf of our members to reduce over-regulation and help businesses interpret the latest international reporting standards.

Over the last year, the Institute has published 10 leadership reports and hosted a range of workshops, forums and debates on issues such as ethics, differential auditing and extended performance reporting.

A welcome success for the Institute this year was the introduction of a national framework of schemes that limit the liability of our members. After 20 years of negotiation with state, territory and federal governments, we have secured a first for any Australian profession and a first among the accounting profession globally. This was a significant outcome for us, and for you, our members.

Thanks to the approval we secured in all states except Tasmania, the schemes are operative under state law. Commonwealth approval means that members are covered against claims made under the *Trade Practices Act* as well.

Another area of major international regulatory significance is sustainability and the need for businesses to be accountable for their environmental footprint.

Australia is playing an important role in international activities that are leading to emissions trading, the permanent storage of emissions through sequestration, and development of carbon credit offset activities.

With the focus on an Australian Emissions Trading System for 2010, the Institute is developing a number of projects in this area. For example, we worked with a member firm to prepare a report that will help the government identify the tax implications and develop tax incentives by assessing whether the existing tax framework will cope effectively with the

proposed system. We are also identifying potential opportunities to use tax policy to drive behavioural change that reduces emissions usage.

The Institute's strategic plan details our response to the current and long-term issues facing the Institute and sets out the initiatives that will help us achieve our vision of leading the profession.

These will ensure the Institute becomes even more relevant to members, maintains its influence with governments and regulators, is more competitive both here and globally, has a sustainable and growing membership and is able to attract and recruit the best staff.

To ensure the Institute is on the right track, the Board undertook a substantial strategic review during the year. This review confirmed our overall strategic plan and made necessary amendments to take us through to 2010.

These amendments reflect the changing environment, a greater focus on leadership positioning nationally and globally and the need for improved processes and infrastructure to better respond to members' needs.

Assessing progress against delivery of the six objectives in our strategic plan is the best way to measure the Institute's success in 2008, and we have structured the report to give members an understanding of how we have performed against our strategic goals.

As a founding member of the Global Accounting Alliance (GAA), we continue to work closely with our international peers in professional accounting bodies in shaping the profession on a global scale.

The Institute has recently completed work to confirm our full mutual recognition of eight GAA institutes' qualifying programs with our Chartered Accountants Program. This ensures the process of going overseas with an Australian qualification is seamless



and eliminates the need for a bridging course. Globalisation is a key part of business today and the GAA ensures our members' transition to GAA countries knows no boundaries.

In 2008 the Institute celebrates its 80<sup>th</sup> year and we reflect on all that has been achieved since 1928 when His Majesty King George V constituted the Institute of Chartered Accountants in Australia by Royal Charter. We are justifiably proud of our heritage, our currency and our vision.

**Andrew Arkell**  
President