

NEW ZEALAND

Management

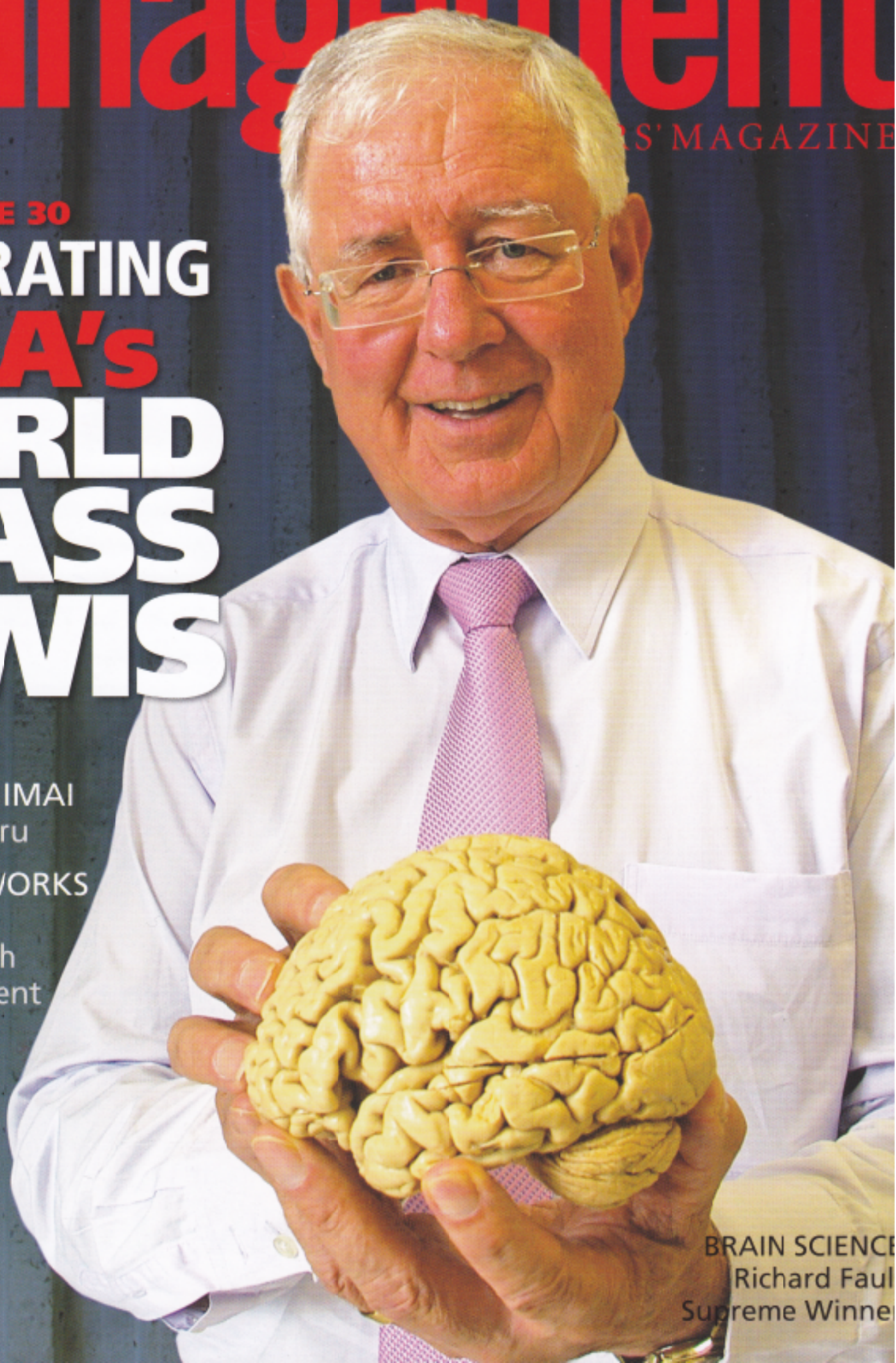
BUSINESS' MAGAZINE

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Bookcase

by Reg Birchfield & Vicki Jayne

PROSPERITY WITHOUT GROWTH
TIM JACKSON • EARTHSCAN • RRP \$30

Don't bother  Must have

Despite attempts in New Zealand to evict "sustainability" from the public service lexicon, the rest of the world is moving on – and Tim Jackson provides both compelling rationale and workable mechanisms for the way forward.

It's simple – the global economy can't keep gobbling resources at current rates without irreparable damage to the planet that supports it all. And despite our best efforts, we haven't found any other home in this big empty universe. So... we need to shift the mindset that growth equals prosperity, ease ourselves off the consumption gravy train and find economic models that deliver quality of life without planetary degradation and social inequity.

Too idealistic? Well – no.

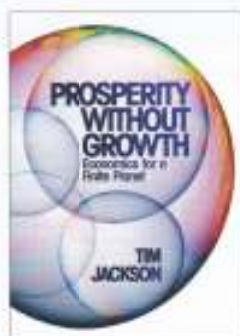
Redefining "prosperity" is a good start. Is it really six bathrooms per household in Florida versus a bucket of dirty water carried several kilometres in Chad? Or is it more to do with health, happiness, family and fairness?

So – how about characterising prosperity (à la economist Amartya Sen) as "capabilities for flourishing" – within clearly defined limits? Why not ask what we really want our economy to deliver? Is the answer an ever-faster conveyor belt of novelty stuff? Or can we flourish in a less materialistic way?

What about shared meaning and purpose, a sense of belonging and security, access to an array of revitalised public goods (whether health and education or parks and recreation)? Okay – there are a few hurdles.

For starters, our governing structures are just a little locked into the dilemma of

growth and its ability to deliver more jobs/more capital etc. Jackson explores how that might change – including taxes on pollution and financial transactions or a renewed focus on community-based ecological enterprises. That doesn't mean that we all have to dress in organic bamboo smocks and forswear novelty.



We have to reframe our preconceptions about both labour and capital productivities.

But without strong leadership, says Jackson, the transition from narrow self interest to social behaviours or from relentless novelty to considered conservation of the things that matter will be impossible. This is not doom and gloom but an "enormous and exciting challenge".

Whether or not you agree, these are conversations all of us absolutely need to have and Jackson provides excellent fodder for them. • Vicki Jayne

SMART MONEY
SHERYL SUTHERLAND & MARTY WITTY
• NEW HOLLAND • RRP \$29.99

Don't bother  Must have

It was conveniently serendipitous that a review copy of *Smart Money: how to structure your New Zealand business for investments and pay less tax*, arrived just as I was gathering material to write this month's feature on wealth and asset management. (See page 45.)

The book proved helpful in a number of subtle ways. But most of all, it was within my relatively limited ken. I had, as the authors say, been told by the experts on wealth management that New Zealanders are a race of financially illiterate beings, who suffer accordingly. Witness the rape

of their savings by financial institutions in which they would never have invested, had they been more savvy.

Well, that's as may be and, like all generalisations, the observation suffers limitations. But then along came *Smart Money*, authored by a couple of very savvy writers. And, given that around 90 percent of New Zealand businesses are small businesses employing 10 or fewer people, the book is tailored pretty much for them.

It is not an evening read, rather a dip-into when considering taxing issues like compliance, deductible expenses, the rules around home offices and other small business investments and, of course, surviving the inevitable Inland Revenue Department audit.

Smart Money is also about investment planning which, as the tide of baby boomer business owners contemplate cashing up, gives it a somewhat timely relevance. For many New Zealanders a business, rather than a home, is the family's number-one nest egg. And believe me, that needs protecting. Been there and broke that.

As the authors point out, tax, investment and business planning must be considered holistically. It is a tough world



out there and if the competition doesn't get you, the policy wonks at IRD's head office just might come up with something that will. They are, after all, constantly vigilant according to Sutherland and Witty.

There are, it seems to me, as many books of this genre as there are whodunnits. Perhaps more. But this one is written for especially for Kiwi consumption. It is about our business rules, our tax rules and our investment and planning opportunities. Don't take it to bed. Sit up and take notice of what it has to say. It says it pretty well. • Reg Birchfield