

2023 crystal ball: Four things that will happen, and four that won't

BUSINESS

CPA Australia has gazed deeply into the future and come up with some predictions that just might come true.

By [Gavan Ord](#) • 06 January 2023 • 5 minute read

The future is always uncertain. The world has been through a tumultuous few years that very few of us could have predicted. However, there are some signs about what 2023 might have in store for accountants, businesses and the economy.

Here are CPA Australia's predictions about what the future may hold.

Four things that probably will happen

1. Hacks and data breaches

Cyber security will continue to be at the top of everyone's mind in 2023. There will be more large-scale cyber attacks and, as a result, businesses will be increasing their investment in cyber security. Repeated data breaches may also see consumers start questioning who they hand over their information to and why it's needed. At the same time, the shift to digital in the accounting space will continue. It's highly likely accounting firms, like other businesses, will need to have a stronger focus on cyber security and data privacy.

2. Businesses to diversify suppliers and customers

There has been significant disruption to supply chains over the past few years on the back of the pandemic, geopolitical tensions and weather events. Businesses will continue to spread their risk by diversifying their suppliers and customers. This could mean arrangements with multiple different companies across several countries.

3. Digital services crackdown

Digital products and services will be under the spotlight next year. Buy Now, Pay Later (BNPL) platforms like Afterpay, Zip and Klarna may be the first cab off the rank. Financial Services Minister Stephen Jones released a Treasury paper in November indicating the services could be regulated under credit laws. Crypto assets will also face additional scrutiny. CPA Australia has been asking for a measured approach on these issues that balances consumer protections with the ability for companies to innovate.

4. Natural disaster preparation

Australia's third year of La Niña is forecast to continue into 2023, potentially causing more flooding and damage to both homes and businesses. We're hoping governments at all levels are learning from their responses to recent natural disasters and are designing a more cohesive approach to providing support to impacted businesses. Businesses need certainty about what support they can access. They will also be preparing themselves for any future disasters by reviewing their operations, checking their insurance coverage and seeking advice.

Four things that probably won't happen

1. Major cost-of-living relief

Unfortunately, it's unlikely we'll see cost-of-living pressures easing significantly in 2023. The RBA's latest Statement on Monetary Policy forecasted inflation would peak in December 2022 but remain at relatively high levels through 2023. Interest rates will continue to rise to counter rising inflation. Global forces pushing up energy prices and fuel costs seem unlikely to abate. There is another federal budget in May but the government will be hesitant to provide major direct short-term relief for fear of exacerbating inflation problems by pumping money into the economy. Businesses and households need to prepare for their expenses to continue to climb.

2. Skills shortage fix

The skills shortage across the country, including in the accounting profession, will continue next year. There have already been some steps taken by the government to tackle this issue, including the increase to the skilled migration intake for 2022–23 and incentives to undertake training in priority areas, but this is a long-term problem that will take years of focus to solve. The shortage of talent will continue to challenge businesses and we won't see a fix in the short term.

3. Tax reform

There has been plenty of discussion about the potential for tax reform over the past year. CPA Australia has been encouraging the federal government to lead GST discussions with the states and territories to help the transition away from inefficient taxes, such as stamp duty. While we don't expect there will be any broad-based tax reform in 2023, we're hoping to see more ambitious and robust policy discussions about the future of our tax system over the year.

4. A full return to the office

It looks like flexible working is here to stay for a large group of typical CBD-based workers. The pandemic changed the expectations of employees and with staff in short supply, it's likely remote work will continue to be an option. Businesses allowing their employees to work flexibly are usually rewarded with higher staff satisfaction, lower turnover levels and access to a wider range of talented staff across the country.

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