

TO THE RESCUE

IPA member Brian Dunphy splits his time between liquidating businesses and liquid business of a different kind.

by Chris Pritchard

Brian Dunphy often remembers his secret promise to himself. “I swore that if I was made redundant for a third time, I’d strike out on my own,” he recalls. “My third redundancy spurred me into action – and I haven’t looked back.”

Tough economic conditions forced his employer – a large accountancy firm like his two predecessors – to make cutbacks. His job gone, Dunphy declared it time to hang out his own shingle. Business thrived, with clients mostly from Sydney’s nearby Northern Beaches – “from Palm Beach to the Harbour Bridge”.

He describes that decision, in 1997, as the best of his business life. “I’m my own boss, working in a beautiful part of Sydney that has been home for most of my life.”

Dunphy, now 59, studied for an accountancy procedures



Photography by Paul Henderson-Kelly

Name: Brian Dunphy
Company: Freshwater Management Pty Ltd, trading as SME Rescue
Position: Principal
IPA Status: Associate (AIPA)
Location: Northern Beaches, NSW

certificate at his local TAFE after leaving school. At the time, he was working for the Australian Taxation Office and was told promotions were more likely if he gained the certificate. “I confess, I was more interested in surfing,” he laughs. “But I was determined to earn the qualification.”

Then, after the birth of his first child, he decided to upgrade his skills and, while working for accountancy firms, studied for a law degree at Sydney’s University of Technology (UTS), where he later also lectured in insolvency law.

“We’re about to see a growth in insolvency and liquidation”

“Even as a kid, I’d been interested in insolvency,” reveals Dunphy. “It fascinated me – though I had no idea how important a part of my life it would subsequently become.”

After establishing his own practice, Freshwater Management, he became a liquidator. “Liquidation,” he acknowledges, “wasn’t very big at the time because the economy was chugging along rather nicely. In my experience, there’s an upturn in liquidations when – or just before – the economy runs out of steam.”

Calling himself the “caring liquidator”, he summarises his main objective as saving small or medium businesses. In hopeless cases, he liquidates them. Even then, he argues, there’s no point in dragging things out just for fees. “It’s important to get the job done quickly. Never forget that this is a very stressful period for directors and staff. People lose their jobs, their homes – it’s very tense.”

Dunphy concedes that liquidators are “commonly feared and disliked”. “You have to convince people that you have the best of intentions and are trying to save their business rather than wind them up,” he says. “You have to let them know that you’re on their side.”

Drawing on his own knowledge, Dunphy believes “we’re about to see a growth in insolvency and liquidation in 2014”.

More important than potential offshore economic downturns is the likelihood of a tougher stance by the ATO. “It’ll probably be more aggressive in chasing what’s owed,” he suggests. “After all, there’s around \$16 billion

in tax debt owing. I think the ATO will be less generous about how quickly debts must be paid. We’ll see more and more small businesses go to the wall.”

Trading under its SME Rescue banner, Freshwater Management’s client base is comprised of relatively small enterprises. “I’m not interested in large companies,” says Dunphy. “Our clients are small or medium – much like ourselves. Though we offer general accounting services, we specialise

in turning businesses around, along with insolvency and liquidation.”

But Dunphy’s business interests are twofold. While living in a strata-title building, he found himself dissatisfied with the style of management. “I learnt everything I could about strata management,” he says. “It was, in any case, also a topic that had long interested me.”

He saw strata management as a way to secure his retirement, since he considered it less risky than concentrating solely on insolvency.

While much of his time is spent running SME Rescue, his daughter, Michelle, is mostly responsible for what Dunphy terms a “boutique strata management company”, Fresh Strata. (Dunphy also has two adult sons, who are not involved in his businesses.)

“As far as strata management is concerned, we concentrate on Sydney’s Northern Beaches, because we have an excellent team of tradesmen who wouldn’t necessarily be available if we managed buildings further afield,” he explains.

Dunphy finds that his IPA membership helps keep him up to date on developments “so that I’m always aware of the latest trends in the profession”.

Having said that, he insists it’s vital “to clear your mind frequently of business matters”. To that end, the Northern Beaches have proved the ideal location for indulging his passion for surfing ... “but, as I get older, I find I don’t surf as much as I once did”. Still, he remains an enthusiastic member of a winter swimming group called the Frigid Frogs that takes its regular plunges at South Curl Curl – irrespective of the temperature.

A former soccer player, Dunphy retired last year from a successful stint as a coach. “But I plan to remain an avid supporter and attend as many games as possible,” he says. “You’ve got to stay involved in the community.”