

# FINANCIAL REVIEW

SE Professional Services  
HD **Moore Stephens walks**  
BY Agnes King  
WC 536 words  
PD 12 November 2014  
SN The Australian Financial Review  
SC AFNR  
ED First  
PG 41  
LA English  
CY Copyright 2014. Fairfax Media Management Pty Limited.  
LP

The partnership of mid-market accountancy practice Moore Stephens Melbourne has voted in favour of a merger with expansionary **Chinese firm** ShineWing.

It's believed about 75 per cent of MS Melbourne's partners agreed to **merge** with ShineWing. Staff were informed about the deal last week.

TD

Details of the alliance remain scant, including what Moore Stephens believes it can extract from the merger.

Moore Stephens managing partner Marco Carlei and ShineWing Hall Chadwick Melbourne managing partner David Chu were not returning calls on Tuesday. It is believed ShineWing is now trying to lure Moore Stephens' Perth practice to join.

The news raises questions about the future of ShineWing's existing partnership with \$54 **million** mid-market network Hall Chadwick.

There is some speculation that ShineWing will bed down the Melbourne alliance before applying pressure to Hall Chadwick to rebrand.

ShineWing is **China's** eighth-biggest domestically owned accounting **firm**. It entered the Australia market through an alliance with advisory **firm** Hall Chadwick in 2010, but remains relatively small, surviving on big clients, such as Yancoal, a subsidiary of **China's** Yanzhou **Coal Mining Company** and the largest **Chinese** state-owned enterprise investor into Australia with more than \$6 **billion** worth of acquisitions over the past four years.

Hall Chadwick has long harboured reservations about taking on the ShineWing name holus bolus.

The deal also raises questions about the future of the Moore Stephens network in Australia. Melbourne was its largest member **firm**. Second practice to exit

Mr Carlei told The Australian Financial Review in 2012 that he expected revenue in the Melbourne **firm** to surpass \$40 **million** in the 2012-13 financial year, as income from a spate of lateral hires flowed in.

Industry insiders say the practice's revenue is closer to \$20 **million**, but in either case, its loss means Moore Stephens will no longer be a top 20 accounting brand, reduced to consolidated income of less than \$62 **million**, and ranked behind William Buck, HLB Mann Judd, Nexia and PKF-Lawler.

Melbourne's exit comes hot on the heels of the loss of Moore Stephens' \$10 **million** western Sydney practice to Deloitte in February.

It is thought Moore Stephens Brisbane managing partner Ken Pickard is best placed to succeed Mr Carlei as national chairman.

Mr Pickard and Moore Stephens Sydney managing partner Robert Southwell declined to comment.

Meanwhile, there is some controversy about whether the Melbourne outfit joining ShineWing will be granted access to the Praxity international network of accounting firms, of which ShineWing is a member.

Mid-market rival William Buck is a Praxity member and will almost certainly contest its joining. An alternative option is that it falls under the control of ShineWing Australia, but it is hard to conceive Moore Stephens Melbourne partners agreeing to this.

Talk of a tie-up between William Buck and ShineWing, now or in the near future, were laid to rest yesterday by William Buck national chairman Nick Hatzistergos.

"We've not been approached by ShineWing," he told the Financial Review from a partner conference in the United States.

"We have no interest in joining ShineWing. As a group it is not something that would take priority."

**RE** austr : Australia | melb : Melbourne | victor : Victoria (Australia) | apacz : Asia Pacific | ausnz : Australia/Oceania

**PUB** Fairfax Media Management Pty Limited

**AN** Document AFNR000020141111eabc0001o