



House of Assembly

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CPA Australia

The Hon. A. PICCOLO (Light) (15:34 :58): Today, I want to raise a matter that is quite sad to talk about: CPA Australia. CPA Australia is a professional body for accountants. It is a professional association or body of which I have been a member since July 1983. Recent events in that association bring not only the body itself into disrepute but also the profession of accountancy. It concerns me that the leadership of this organisation has done very little to address the issues raised by members of the association who are concerned about its direction.

I wrote to the association recently to express my concerns. The response I received was not dissimilar to the response other people received. I should say at the beginning that the CEO of CPA Australia was recently asked to leave the organisation with a

payout of \$4.9 million. His publicly stated salary for the professional association was \$1.8 million a year, way beyond other professional associations, such as Chartered Accountants and others, and, I am sure, it is probably a lot more than the Law Society CEO is paid. It is an obscene amount of money to pay for a professional association, but it gets worse.

I would like to use the few minutes I have in this chamber to outline some of the issues which have been canvassed in the media about my professional association and which I am quite disgusted about. It is sad because I was quite proud to be a member of the association. I joined in July 1983, when it was called the Australian Society of Accountants, my professional body, and I have maintained membership for all those years, even though I have not maintained a practising certificate for some time.

I would like to commend the Australian Financial Review for trying to make sure that the issues that confront this association are brought into the public domain. The Financial Review and a lot of country members of the CPA—the ordinary suburban or country CPA local accounting practices—are quite horrified about what they have seen happen to their professional body. It is important to note that these professional bodies play an important role because they help self-regulate the industry. The role they play is, in a de facto way, a licensing mechanism for accountants to

practise. They set the standards. They provide you with membership and whole range of things that enable you to carry that CPA badge and tell the world and people you work for that you have a level of professionalism and competence.

CPA Australia is an unlisted company limited by guarantee. The first issue, which has been raised in the media, is the \$50-plus million approved and used by the CPA board – and I will come to the CPA board in a second – to promote, effectively, the CEO. Fifty million dollars of membership money has been used to promote the CEO himself by publishing his personal book and also sponsoring a TV program about himself. The concern of members is that if this advanced the profession or the association they would not mind so much, but \$50 million of members' money has been spent to promote this individual.

Secondly, it lacks any sense of democracy. We no longer directly elect the board. We have no direct say in how this organisation is run. It has been structured in a way that it is run by a small clique. The standards by which this organisation is run would make some post-communist nations in eastern parts of Europe look quite democratic. There was no advertising for the position before the current CEO was appointed; he was appointed by the board. Interestingly enough, a number of board members are current or ex-staff members of Macquarie

University, where he worked previously. I understand – and I am happy to be corrected – that he was asked to leave that organisation.

But it gets better. His salary is way beyond what other CEOs are paid in other professional organisations. The directors of this professional association are also paid exorbitant amounts. The reason I raise this today and will continue to raise this in this chamber is that it has an enormous impact on the profession itself, the regulations of the profession and how we licence and regulate accountants in this country