

CPA Australia's new president Peter Wilson unveils own inflated pay



Alex Malley, former CEO of CPA, which is still sneaking out unpalatable disclosures in the dying hours of Fridays. *Andrew Meares*



by [Joe Aston](#)

Alex Malley and his merry band of board allies might have left the building, but one thing hasn't changed a bit at CPA Australia's Southbank tower: they still like sneaking out unpalatable disclosures in the dying hours of Fridays!

As business wound down last week, the new board of the acutely diminished professional standards and training body for accountants announced its response to the [so-called](#) "independent" review of its governance led by former Commonwealth Auditor-General (and long-time [Malley acquaintance](#) – he even penned an endorsement of Malley's book, *The Naked CEO*) **Ian McPhee**.

"Another finding in the independent review was that the remuneration for CPA Australia directors was too high and that member-based organisations should be included in any benchmarking," said new president **Peter Wilson**. "The board agrees with this and when the new directors were appointed in October we appointed independent benchmarking for director and executive remuneration."

Didn't they ever! Wilson's mob engaged consultants Godfreys, which input the pay data of 12 comparable boards. Twelve! As a result, the president's pay has been reduced from \$311,979 (although with CPA Australia Advice fees included, **Tyrone Carlin** [was paid at the princely rate](#) of \$390,657) to \$225,000, while deputy presidents get cut from \$129,991 to \$112,500 and the rest of the directors are cut from \$98,604 to \$75,000.



More of the same: CPA Australia's president Peter Wilson is paid \$225k when the benchmarked median is \$126k. *Janie Barrett*

Which all seems typically sneaky. The freely available 2017 Australian Board Remuneration Survey, conducted by McGuirk in collaboration with the Governance Institute of Australia, surveyed the pay data not of 12 boards, but of 1021 boards. Of these, 322 were not-for-profits and 96 were professional/industry associations. For companies with annual revenue of between \$160 million and \$240 million (in 2016, CPA's was \$180.1 million), the median salary was \$126,075 for chairmen, \$82,376 for deputy chairs and \$59,213 for directors. Wilson will make off with 78.5 per cent more than the benchmarked median, and the rest of the new board won't do too much worse. And why the hell? When not being run like a Mexican cartel, CPA's business is as low-risk as they come. More than 90 per cent of its revenues are recurrent membership dues, education and professional development – all but guaranteed to roll in every year. So its directors shouldn't even be paid at the median, but at the lowest percentiles.

Wilson also earns \$200,000 as president and [chair of the sleepy Australian Human Resources Institute](#). His term [was extended](#) until 2020 after the board spent three years looking for "someone like me... and that was actually a bridge too far." Wilson's words - no kidding. Another new CPA director, former Qantas executive **Jon Scriven**, is also on the AHRI board with Wilson.

Equally unsurprising is McPhee's change of heart on the CPA directors' tenure. His preliminary report noted that "a total service of six years may better serve the needs of a member-based organisation." But in the final report, after "additional examination", he "formed the view that a maximum term of nine years should be permitted." That's right, this new board - installed by Malley's allies and, unsurprisingly, deciding not to pursue Malley's allies - are settling in for another lost decade. Maybe in 2026 they'll try and replace themselves but find it a bridge too far? What a crock.

Wilson also revealed on Friday that "the new Board has undertaken our own inquiries about the duties of the former directors [and] is of the view that there is no basis to take action against CPA Australia's past directors." The lawyers they consulted on this one must've won their law degrees in a Cornflakes box. Both in 2014 and 2015, those directors unilaterally, and in direct contradiction of expert, independent advice on the matter, increased Malley's termination pay to \$4.9 million. Where the hell is ASIC? **Greg Medcraft** [was Malley's pal](#) but he's loafed off to Paris. Earth to **James Shipton!**



Out: former Malley allies on the CPA Australia board, Graeme Wade (right) and Jim Dickson (left) before a Senate committee in Canberra on Tuesday 5 September 2017. *Andrew Meares*