

PRESS RELEASE

17 February 2006

Establishment of the Audit Quality Review Board

Public confidence in the auditing process is vital to the efficient functioning of Australia's capital markets. Today's announcement of the establishment of the Audit Quality Review Board (AQRB) marks a further important step in the way forward to achieving this objective.

In launching AQRB, the Honourable Chris Pearce MP, Parliamentary Secretary to the Treasurer said that the AQRB work will complement other existing review processes undertaken by the professional bodies - the Institute of Chartered Accountants in Australia, the National Institute of Accountants and CPA Australia – and the surveillance activities of ASIC. The Government welcomed and supported this initiative.

The Board has a remit to review those systems, established by the major audit firms, that are intended to ensure that they meet independence and quality standards in relation to their audits of listed companies. Professor the Honourable Andrew Rogers QC, is the inaugural independent Chairman. Mr. Rogers said: "The Board has the potential to play a vital role in the re-establishment of trust in Australian financial reporting, following several high profile failures in recent years, complementing the expanded role of ASIC under CLERP 9 and contributing to the continual improvement of the audit profession for the benefit of the Australian public".

The Board will consist of a number of eminent individuals with a wealth of knowledge and experience in legal, regulatory, business and auditing affairs. A number of members will be from the profession and will provide the experience and professional expertise necessary to carry out reviews. However, they will not be permitted to carry out reviews of the firms in which they practiced. Also, in order to maintain independence the majority of the members of the Board (including the Chairman) must be persons who never have been practicing accountants. Mr Rogers stated "I am delighted with the calibre of those who have become AQRB members, and the expert external perspective which they offer". The other Board members comprise Mr Alan Cameron AM, Mr William Coad AM, Ms Brigid Curran, Mr Ian Gilmour (who is also Company Secretary), Professor the Honourable Michael Lavarch, Mr Robert Lynn, Professor Ian Ramsay and Mr John Richardson. Mr Nick Hullah is Technical Adviser to the Board.

The four major Australian auditing firms have voluntarily agreed to provide the Board with access to their quality systems, highlighting their continued commitment to the integrity of the auditing process. All firms conducting audits of publicly listed companies in Australia are eligible to sign up with the AQRB. A self evaluation, to be publicly available, will be an important aspect of the operations of the AQRB. A summary report by AQRB of the systems monitored will also be published on AQRB's website.

The new Board will have an initial three year term and will be funded by a levy on participating firms through a trust arrangement with Perpetual Limited. who will administer and account for the funds. St James Ethics Centre is the foundation member of AQRB, a public company limited by guarantee. St James will also be available to address ethical issues in AQRB and be involved in dispute resolution, if necessary.

The Chairman, Andrew Rogers, is responsible for the direction of the Board's activities.

Contact Details

Andrew Rogers
02 9233 3027; 0409 362 220

Attachment: CVs of members of the Board

AUDIT QUALITY REVIEW BOARD LIMITED

DIRECTORS - Curriculum Vitae

Professor the Honourable Andrew Rogers ^{QC} CHAIRMAN

Andrew Rogers QC has substantial experience in the areas of arbitration, mediation and business law. He has held various eminent positions in the judiciary of NSW Australia spanning a period of some 13 years, during which time he gave important judgements on the duties of auditors and directors. He currently acts as an International legal consultant, specialising in the area of arbitration, meditation and dispute resolution, with his expertise spanning relevant legislation in the U.K, U.S, Asia and Europe as well as Australian Law.

Professor Rogers also has extensive business and academic experience, his notable current appointments including:

- non-executive director, NSW Treasury Corporation, including membership of the Audit Committee
- Visiting Professor, Faculty of Law, University of Technology, Sydney Chair

Alan Cameron A.M, BA, LL.M

DIRECTOR

Mr Cameron has substantial experience in legal and regulatory matters. He was Chairman of ASIC and its predecessor, the Australian Securities Commission, from 1993 to November 2000. During this period, Mr Cameron was a member of the:

- Companies and Securities Advisory Committee
- Council of Financial Regulators, the Australian Prudential Regulation Authority
- Technical Committee of the International Organisation of Securities Commissions (IOSCO)

He was also chairman of the Joint Forum established by the Basel Committee, International Association of Insurance Supervisors and IOSCO.

Mr Cameron is currently:

- an advisor to Blake Dawson Waldron lawyers
- deputy chairman of SFE Corporation Limited
- Chair of the compliance committees for BT Funds Management Limited and Westpac Financial Services Group Limited
- Chair of the NSW Growth Centres Commission
- Chairman of Cameron Ralph Pty Limited, a board performance assessment business
- a member of the NSW Judicial Commission, and
- director of the Public Interest Advocacy Centre.

William (Bill) Coad A.M, BEc FCPA

DIRECTOR

Mr Coad is an Accountant specialising in regulatory and legal matters within the financial sector. He has held a number of senior posts.

His former appointments include:

- New South Wales Regional Commissioner for the Australian Securities and Investments Commission between 1996 and 1999
- Inaugural Director, establishing then heading Australia's anti-money laundering agency, Austrac between 1989 and 1996
- Commissioner, then Deputy Chairman of the Trade Practices Commission (now called Australia's Competition and Consumer Authority or ACCC)

Mr Coad has recently undertaken consultancies for government and for the financial sector on risk management, financial and law enforcement matters.

Brigid Curran FCA

DIRECTOR

Ms Curran is specialised in audit and financial reporting matters. Her experience includes:

- National Technical Partner (2000 – 2001) and partner (1993 – 1999) for PricewaterhouseCoopers' Assurance and Business Advisory division. In this role, Ms Curran provided technical and financial reporting advice within the firm, in particular in relation to the application and interpretation of Accounting Standards – both Australian and international

- Technical Director for the International Accounting Standards Committee (1991 –1992), where Ms Curran was primarily responsible for the IASC Comparability Project
- Director at the Australian Accounting Research Foundation (1980 – 1989), where Ms Curran was closely involved in the development and issuance of many of the accounting pronouncements on issue in Australia

Ian Gilmour CA, FCIS, Grad Dip AICD (FAICD)
DIRECTOR & COMPANY SECRETARY

Mr Gilmour is an experienced and accomplished Company Secretary with a proven record in all Board and Board Committee related matters and corporate governance generally, including legal compliance. His experience covers rationalisation and management of superannuation funds, statutory records and maintaining key relationships with statutory bodies and major shareholder groups.

Mr Gilmour has held Company Secretary positions for over 25 years, currently with Biosignal Limited and Medical Therapies Limited, and previously with Goodman Fielder Limited. Prior to joining Goodman Fielder he was with Coopers & Lybrand for 10 years. He is also a Director of Amazing Loans Limited, a consultant to Nova Legal & Advisory, Chairman of the Corporate and Legal Issues Committee of Chartered Secretaries Australia and a Justice for the Peace in and for the State of NSW.

Professor The Honourable Michael Lavarch LLB
DIRECTOR

Professor Lavarch is a specialist in legal policy management, legislative change and regulation of the legal profession. He was formerly the Secretary-General of the Law Council of Australia and Commonwealth Attorney General in the Keating Government (1993-96) where he had ministerial responsibility for Australia's Corporate Law system.

Professor Lavarch is currently:

- the Executive Dean and Professor of Law at the Queensland University of Technology
- the Chair of the Banking and Financial Services Ombudsman and
- a member of the Australian Stock Exchange Supervisory Review Pty Ltd

Robert Lynn FCA
DIRECTOR

Mr Lynn has detailed experience in audit and financial reporting matters. He is currently a member of the ASIC Audit Committee

Former appointments include:

- Chairman of the Auditing and Assurance Standards Board from 1993 to 1996
- Membership of the Audit Standards Board from 1988 to 1991
- National Audit Partner at Coopers & Lybrand from 1989 to 1995

- Australian representative on Coopers & Lybrand's International Audit Policy Board
- Auditor of a number of public listed companies, with emphasis on the financial sector

Mr Lynn retired from PricewaterhouseCoopers in June 2000 and was a Chairman of the Board of The Salvation Army Employment Plus from 2000 until 2003.

Professor Ian Ramsay BA, LLB, LLM DIRECTOR

Professor Ramsay is the Harold Ford Professor of Commercial Law in the Faculty of Law at The University of Melbourne, where he is Director of the Centre for Corporate Law and Securities Regulation. He has practiced Law with firms in New York and Sydney.

He is a member of:

- The Takeovers Panel (which is the main forum for resolving takeover disputes);
- The Corporations and Markets Advisory Committee (which is the Federal Government's main corporate law reform advisory body);
- The Federal Government's Companies Auditors and Liquidators Disciplinary Board; and
- The National Law Committee of the Australian Institute of Company Directors and the Corporations Law Committee of the Law Council of Australia.

Former positions he has held include head of the Federal Government inquiry on auditor independence and member of the International Federation of Accountants taskforce on rebuilding confidence in financial reporting. Professor Ramsay has published extensively on corporate law and corporate governance issues both internationally and domestically.

John Richardson BEc, FCA, FCIS DIRECTOR

Mr Richardson has over 40 years of professional experience as a Chartered Accountant, including 30 years as a partner of KPMG, from which firm he retired in 2001. During his career with KPMG he held the positions of National Board member (1992 – 2000) Partner in Charge of Operations of the NSW practice (1992 – 1998), Partner in Charge of the firm's national Professional Practices Department (1988 – 1992), member of the firm's national Auditing and Accounting Committee setting the firm's national policy standards on all accounting, auditing, corporate law and personal finance practice issues (1982 – 1994), and was the lead partner on a number of public company audits, particularly in the construction, insurance and primary industries.

Mr Richardson now provides business and financial consulting advice to companies and individuals and is a honorary director of the Epilepsy Association in NSW. Mr Richardson is currently a member of the Professional Conduct Tribunal of the Institute of Chartered Accountants in Australia and in 2002 he conducted a review of the Institute's Quality Review Program in respect to the Institute's regulation of members in public practice.

Nicholas Hullah FCA, CPAA
TECHNICAL ADVISER

Mr Hullah has over 40 years professional accounting and auditing experience, of which 25 years were as a partner in Deloitte, meeting the audit and advisory needs of large national and multi-national companies in a variety of industries. From 1987 to 1993 he was the partner in charge of Deloitte NSW audit practice and from 1994 to 2000 he served on the Board of Partners.

Mr Hullah retired from Deloitte in 2004 and now acts as an independent consultant and expert witness on audit and accounting matters.

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