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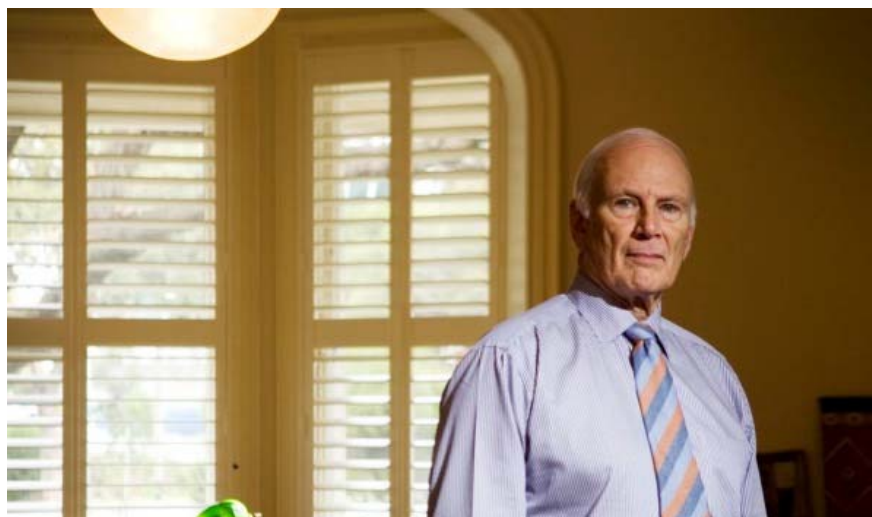
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Richard Alston quits CPA Australia board over governance



Liberal Party president Richard Alston has resigned from the CPA Australia board. **Jessica Shapiro**

by [Joe Aston](#) [Patrick Durkin](#) [Aaron Patrick](#) [Edmund Tadros](#)

Liberal Party president Richard Alston resigned from the CPA Australia board on Wednesday, along with the only other independent director, lawyer Kerry Ryan, because board allies of chief executive Alex Malley refuse to allow a wide-ranging review of Mr Malley and the organisation.

In separate resignation letters delivered at the same time, Mr Alston and Ms Ryan complained that their fellow directors hadn't acted on their advice that an independent review was needed to respond to criticism from CPA members and experts.

The dual resignations follow that of president and Sydney University registrar Tyrone Carlin, who stepped down last week eight months into his term.

For the first time, the directors' departures expose concerns at the top of the organisation [about board and executive remuneration, including Mr Malley's \\$1.79 million pay](#), the millions of dollars spent on his television show and autobiographical *Naked CEO* book, and the [large operating losses and debts racked up](#) by the body's new financial planning business, CPA Australia Advice.

Board members



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GONE

- 1) **Tyrone Carlin**, President - resigned effective May 30.
- 2) **Richard Alston**, independent director - resigned effective June 7
- 3) **Kerry Ryan**, independent director - resigned effective June 7

REMAINING

- 1) **Jim Dickson**, President
- 2) **Deborah Ong**, Deputy President
- 3) **Graeme Wade**, member director
- 4) **Richard Petty**, member director (retiring September 30)
- 5) **Michele Dolin**, member director
- 6) **Sharon Portelli**, member director
- 7) **David Spong**, member director
- 8) **Martin Hourigan**, member director
- 9) **Jennifer Lang**, member director

** Two independent directorships and one member directorship are now vacant. A second Deputy President (replacing Dickson) is yet to be named.

The board of CPA Australia.

Independent and comprehensive

Mr Alston and Ms Kerry had urged the board several times to commission an independent and comprehensive review of CPA's operations and governance, CPA Australia Advice, and historical allegations of misconduct against Mr Malley when he was an accounting lecturer at Macquarie University.

The board didn't want to initiate a review, which could have made negative findings about Mr Malley and the organisation, and decided it would be better to wait and let the public criticism subside, sources said.

Mr Malley has maintained for months that complaints about his leadership are limited to a tiny group of disgruntled members, and accused them of setting up an internet chat room in Iceland to hide their identities.

"You have a handful of people who have made public statements – I get feedback, we get feedback, systemically, every day of the year and it is positive," [he said in a television interview last week](#).



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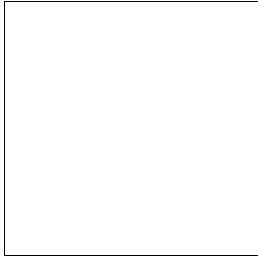
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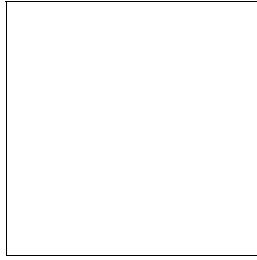
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David Murray resigns

His argument was undercut by the decision of former Commonwealth Bank of Australia chief executive David Murray to resign because of the way the body is run.

The inaugural Future Fund chairman and head of the government's financial system inquiry was a Fellow of the CPA, a membership category for accountants with 15 years and more experience.

Resigning after 40 years, Mr Murray said he was surprised not to receive so much as an email or phone call from CPA Australia.

"I was sad to leave after a working lifetime of membership," he said.

Sydney luncheon

In Sydney, Mr Malley briefly attended a luncheon for past presidents of the NSW division. Speaking for 10 minutes, he accused *The Australian Financial Review* of running a vicious and vindictive campaign against him, sources said.

He said he was doing a good job and growing membership. He didn't take questions and left straight after speaking, saying he had to catch a plane to Melbourne, according to sources.

Mr Alston's early resignation – he had planned to step down in September – is particularly damaging because his strong political connections as a former federal communications minister enhanced the credibility of the entire CPA board.

Ms Ryan's decision to leave is surprising. A former partner at international law firm Norton Rose Fulbright, where she advised on mergers and acquisitions, Ms Ryan has been a CPA director since 2007, making her one of the longest-serving directors.

She was on the board when Mr Malley was appointed CEO in 2009, and is currently on the nomination and remuneration committee, which helps set his pay.

Malley loyalists

At the same time, the decision of Mr Alston and Ms Ryan to exit out of frustration with the rest of the board, suggests that the remaining nine board members remain loyal to Mr Malley.

Mr Malley argues that his high profile benefits CPA, which sets standards for accountants, by attracting new members. He also says CPA, which is based in

Melbourne, generated a surplus of \$60 million over the past six years.

Most of the profits appear to have come from CPA's overseas operations, which charge foreign accountants and students for training courses and membership.

A senior accountant from Sri Lanka, Maheswaran Sridaran, this week told the *Financial Review* that foreigners were joining the body because they thought it would help them obtain Australian visas.

Mr Malley complained about [the article](#), which he said wrongly asserted CPA assesses visa applications. CPA, and other accounting bodies, charge foreign accountants to conduct the skills-assessment component of their work visa applications.

The CPA website says: "If you are planning to lodge your expression of interest [for a visa] with the Department of Immigration and Border Protection, make sure you wait until you have received your migration assessment outcome from CPA Australia first."

Government figures have expressed amazement at the huge resources spent by CPA marketing Mr Malley, although Treasurer Scott Morrison declined to comment when asked about the issue on Wednesday.

"Sick to death of seeing his face on billboards at the airport," another federal minister said.

with Phillip Coorey

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