

Alumni Circle

Your Alumni Community November 06

Alumnus Profile

In the spotlight **Greg Ward**



**CFO and Head of Corporate Affairs
Macquarie Bank Ltd**

Greg Ward joined PwC in 1991 as a manager in Audit, specialising in banking and finance. He left in 1993 to join Westpac as head of Portfolio Management – Commercial Bank, then moved on to Macquarie Bank in 1996, as head of Finance for several of Macquarie's key operating groups.

What did your role at PwC entail?
My role included managing audits of Macquarie Bank, Bankers Trust, Westpac, State Super, merchant banks and a variety of stockbroking companies. I coordinated a number of international audits involving US, UK, Singapore, Hong Kong and New Zealand companies. I also conducted some of the banking technical courses and PY training courses.

What are some of the highlights of your time with PwC?
Several things come to mind. The outstanding calibre of the partners that I worked with and the client service mentality they instilled. I also had exposure to senior management at many leading Australian and international financial services providers. The knowledge that I acquired and the approach taken to solving complex business problems has formed the basis of my own career in the financial services sector.

What current responsibilities do you have at Macquarie Bank?
I am responsible for finance and financial management, capital management, human resources, taxation, business services, treasury operations, investor relations, and business improvement and strategy.

I also sit on Macquarie's Executive Committee and Operations Review Committee. The Executive Committee is a major executive decision making body of the Bank with a specific focus on managing key risks across Macquarie.

What do you see as the major issues facing Macquarie Bank and the financial services sector over the next few years?

In many ways, the issues facing Macquarie are common to all major Australian institutions operating in a global environment: increased business complexity and compliance burden; increased requirements to source and manage data across international boundaries; meeting the needs of our clients and staff from different cultures and with different expectations; and recruiting high calibre staff to support a growing and increasingly complex business.

What would you describe as your greatest achievements in life so far?
My sons, and being part of a global organisation that has changed Australia's financial landscape.

Have you ever had a mentor or someone influential impact the way you work?

I have been fortunate enough to work directly with Allan Moss, Macquarie's CEO and Managing Director. Allan provides inspirational leadership; he applies intellectual rigour to strategic and risk-based decisions, displays empathy for staff and allows them to flourish in an entrepreneurial environment. I try to emulate these qualities in all facets of my current role.

What inspires you?

My three sons – Warwick, 7, Dan, 5 and Charlie, 3. They never fail to put a smile on my face or inspire me with their innocence and sheer enjoyment of life.

How do you like to spend your time away from the office?
Playing soccer with my boys, nurturing the grapevines at my vineyard, racing cars and bike riding.

Read Greg's full profile on the Alumni Circle website at www.pwc.com/au/alumni.

Feature

Product Recall – can your company survive?



In the past 20 years, there have been 8,140 product recalls in Australia – an average of more than two a day.

Companies seek to create reliable products that will attract customers and satisfy their expectations for safety, performance and value. Not many incidents have the potential to shatter this social contract and damage a company's reputation, market share and profitability more than a product recall.

We consider the best risk mitigation strategy is to be prepared and proactive through the implementation and monitoring of internal processes and quality controls.

Be prepared

Organisations should have a product recall plan so they can respond efficiently and effectively to mitigate costs and damage to brand, reputation, market share and ultimately shareholder value. Such a plan would include:

- a recall response team, each member with clearly defined responsibilities
- data collection systems
- protocols to address communications, public relations and media; plant or location shutdown; recall management; salvage; waste disposal; reproduction; and repackaging
- an escalation plan aligned to the nature of the response i.e. it identifies the potential recall exposure risks and aligns responses to each to determine whether or not a total recall, partial recall or warning only is required.

We would recommend testing the plan at least every one or two years as part of a business continuity plan, and regularly

review the adequacy of the plan in line with the changing business and product environment.

Survival of the fittest

Where an organisation's quality control has failed or external factors have caused the need for a recall, a company's survival is put to the test. Even if a recall response plan exists, it's unlikely to have been tested and may turn out to be ineffective or flawed.

Some of the key areas where a recall response plan may fail include:

- lack of appropriate allocation and understanding of responsibilities within response team
- insufficient training of staff
- lack of coordination of business units' responses
- slow response time. The first hour is the 'golden hour'
- inadequate communication to stakeholders, customers and suppliers
- inadequate capture of data
- inability of organisation to address the complete range of diverse issues arising out of a product recall without assistance of external advisors
- response plan not updated with changes in organisation's procedural landscape and product developments.

If the unforeseen should occur and a recall is necessary, always review and assess the effectiveness of the procedures and the response plan, in case of a future recall event.

If you would like to discuss any of these issues with PwC Insurance Services, please contact Stephen Hope on (03) 8603 3560 or Louise Patterson on (02) 8266 3379.

Welcome

Message from CEO Tony Harrington

Welcome to the November 2006 issue of Alumni Circle. In this edition we profile alumni Greg Ward, CFO of Macquarie Bank, and Ashley Fenton, CFO of Salmat. Greg and Ashley both give insight into their careers thus far and their respective industries. We also hear from two alumni who work in service roles to the financial sector. Chris van Aanholt is the vice-president of the Financial Services Institute of Australia, and is in a unique position to give an overview of the industry and the people who work within it. Owen Firth is the founder of finance and accounting recruitment consultancy firm FinanceMark, a BRW Top 50 UpStart Company of 2005. Owen has created a unique marketplace offering, and has many interesting tales to tell of life as the owner of a business which is experiencing rapid growth.

We continue our series on leadership programs with a story on SUMMIT, the program for partner-track directors. Former program participant Paul McMahan, who made partner in 2005, gives his personal insights into what being a part of SUMMIT has meant to him and why he wants to stay involved in the program. It makes for great reading.

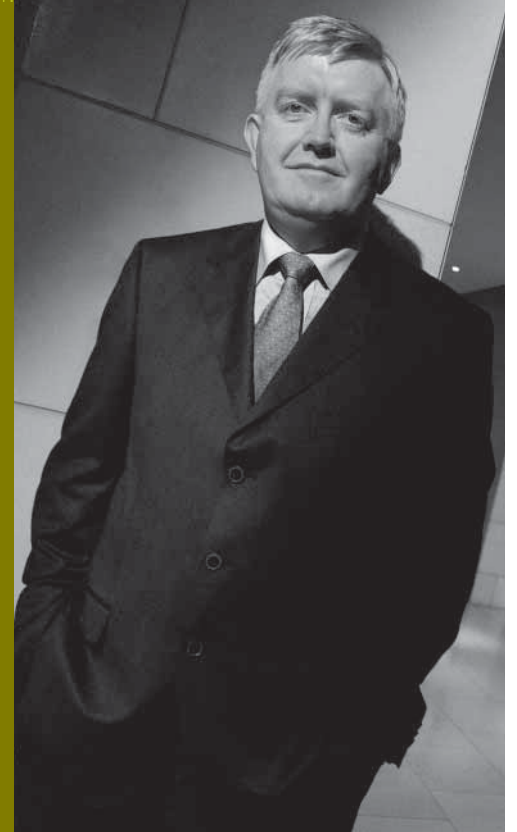
As this is the last edition of the year, I thought I would take the opportunity to share with you some of the highlights of 2006. This year, our revenues exceeded \$1.1 billion, and we made pleasing progress with our focus on client service. The firm was once again ranked first in Business Review Weekly's Top 100 Accounting Firms, and we took out Best Large Accounting Firm, Market Leader and Best ACT Firm in the BRW-

St. George Client Choice Awards. Our Foundation continues to grow apace, with \$2.32 million distributed to our charity partners and 13,680 hours spent on 232 community activities during the year. We were also delighted to welcome back to our shores our global CEO Sam DiPiazza, who attended our annual firmwide briefing and shared with us his insights into quality, service and responsible leadership. All in all, a good year – and one which places us in a strong position to build on our successes and embrace future opportunities.

Happy reading, and all the best for the upcoming holiday season,



Tony Harrington

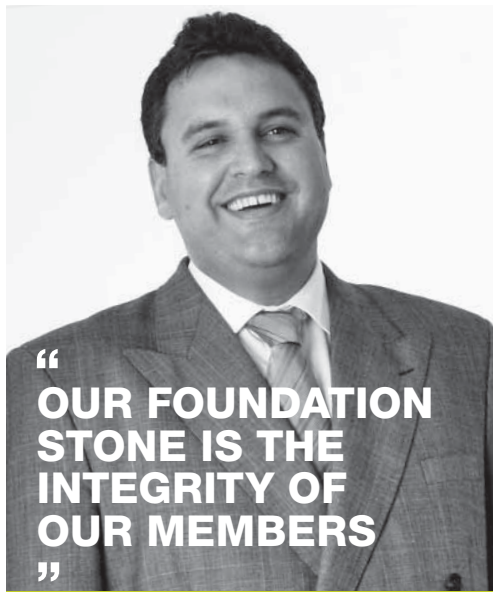


Industry Feature: Financial Services

By alumnus Chris van Aanholt ●

PwC News

Integrity valued in competitive market



“**OUR FOUNDATION STONE IS THE INTEGRITY OF OUR MEMBERS**”

PwC alumnus Chris van Aanholt is vice-president of the Financial Services Institute of Australasia (Finsia).

Finsia was formed following the merger between the Securities Institute of Australia and the Australasian Institute of Banking and Finance, and provides educational and career support and membership services to 20,000 members in Australia, New Zealand and in more than 50 countries internationally.

As he marks the passing of his first year as VP and Finsia's first anniversary as a merged entity, Chris gives an overview of the role of the Institute and the state of the financial services industry.

I think financial services is an incredibly exciting industry. It represents almost half of the Australian Stock Exchange and is becoming increasingly competitive. We're seeing mounting competition at the retail, institutional and corporate levels, and we see it across every sector that makes up financial services.

There is the issue of more intense and more intrusive regulation, both locally and globally. In Australia we're seeing the number of pension and superannuation funds increasing at a dramatic rate, and the search for new asset classes is quite dramatic. Australia is quite leading in the way it deals with these things.

We are also seeing a very serviced financial services/banking sector in the traditional areas; consolidation in the industry of major players; global players entering the Australasian markets on an unprecedented scale; and the expansion of investment banks and their capabilities into our retail and commercial sectors.

Finsia has also experienced unprecedented competition, but the demand for quality and substance, and integrity-based qualifications and relationships has never been higher. As a not-for-profit organisation, built on the significant contribution of its members, Finsia has a very unique competitive advantage in that our members want us to stand for quality and advocate quality.

Finsia represents a very simple thing to its members. Our members want to be seen as being part of a professional group that is expert, experienced and forward thinking. Our foundation stone is the integrity of our members, and we foster the talent within our membership. The vision is to be an organisation that can mix the best of Australian financial services and its people, and the knowledge within financial services.

Membership is growing at a staggering rate. The number of events we've sold has never been higher, demand for qualifications is increasing, and we are seeing an increasingly significant level of respect from broader participants within financial services, such as regulators and institutions.

Financial services is a well qualified industry that has dramatically improved its levels of thinking, education and capabilities in the workforce. We're seeing changing trends in the way education is distributed – whether it is electronic, by workshop, or shorter programs. Finsia is always looking at the nature of the distribution of its programs, and secondly, how to create or source partners to deliver quality financial services education to the industry.

Chris van Aanholt is also the feature of an alumnus profile, available on the alumni website. For more about Finsia, visit www.finsia.edu.au

Leadership changes in Indonesia and PNG

Stephen Humphries has relocated from Port Moresby to Jakarta to take the senior leadership role in Indonesia. Steve will also continue to oversee the leadership of the firm's PNG business.

An Indonesian governance team has also been established to ensure appropriate oversight of the practice in Indonesia and enhance the connectivity between the Indonesian and Australian firms. The governance team will be chaired by Haryanto Sahari who will consequently play a greater role in the market developing relationships and business opportunities. Phil O'Prey and Paul Carter will represent the Australian firm on the governance team.

Haryanto has been instrumental in leading the Indonesian business for the 10 years since the Indonesian practice was integrated into the wider Australasian firm. This has been a tumultuous period in Indonesia's history with the currency and economic collapse of the late 90s and the political upheaval from the change of the Suharto regime.

Throughout this period the firm has continued to adapt and under Haryanto's leadership has grown significantly from revenue of US\$24m to US\$43m with 29 partners and over 700 staff.

Brett Entwistle has relocated from Sydney to Port Moresby to take on the role of office managing partner, and Jason Ellis has relocated from Adelaide to Port Moresby as a new TLS partner. The moves of Brett and Jason significantly strengthen our resources in PNG in response to the demands of a growing economy in that country.

Alumnus makes history

Louise Allard, who worked with the firm for 15 years, has become the first Australian woman to reach the North Pole.

Read her story on www.pwc.com/au/alumni.



Ongoing Feature: Leadership Programs

The path to partnership

In previous issues of the Alumni Circle we looked at two of the firm's leadership programs, one aimed at graduates and the other for employees entering management. In our third and final article in this series, we feature SUMMIT, the program for partner-track directors.

Each year approximately 70 PwC directors undertake the SUMMIT program. Some of these may indeed go on to become partners in the firm, some won't. But regardless, each completes the three month program having had an invaluable experience.

The program was introduced in March 2004 to help accelerate the development and improve the calibre of partner-track directors. It has proven an excellent assessment tool, particularly for the participant.

"The SUMMIT program might be the first time directors have had a 'pause' moment in their career path, where they can actually think about where they would like to be in terms of their career," says program manager Leanne Foyle. "It gives them an opportunity to think about their values, their goals going forward; the kind of person they would like to be, the kind of leader they would like to be, and the type of work they would like to be doing."

Paul McMahan participated in the pilot SUMMIT program in 2004. He had joined the firm as an accounting and computing graduate in 1992. Paul

became a partner in 2005, and today works in Performance Improvement.

"The key benefits of SUMMIT were being connected to a cross-LoS peer network of directors, who I have continued to network with; the opportunity to take 'time out' to reflect and think about my drivers, values and objectives; access to tools and techniques not ordinarily available; and the realisation that I had many peers who were also uncertain about the path to partnership," says Paul.

“IT MIGHT BE THE FIRST TIME DIRECTORS HAVE HAD A 'PAUSE' MOMENT IN THEIR CAREER PATH”

One of the main objectives of SUMMIT is creating greater self-awareness of directors' strengths and development areas, regardless of when (or if) they decide to aim for partnership. Key to this, and underscoring the success of the program, is the feedback from the SUMMIT 'guides', the cross lines of



SUMMIT participant Paul McMahan

service partners who take on a coaching and mentoring role for three months.

"They generally haven't even met or passed in the corridor before, yet there is quite a lot of robust dialogue between the guide and the participant around their strengths and areas for development," says Leanne. "It creates a very unique and quite often lasting relationship between a director from one line of service and a partner from another line of service."

Paul couldn't agree more. He had never met his guide before SUMMIT, and found the completely new and unbiased perspective very refreshing. A restructure since has brought Paul and his guide together as colleagues within the same group.

As a partner, Paul has also participated in the program as a guide and a sponsoring partner. He is looking forward to the day one of the SUMMIT participants he has worked with becomes a partner.

"It will be a great feeling to have helped them along the path," says Paul. "Even if in a small way."

Leadership development in your organisation

• By Frances Feenstra, director of Performance Improvement – People

Leadership development and programs should:

- be clearly linked to the strategic objectives of the organisation and not be conducted in a vacuum. There is no point in developing leaders in areas that are not relevant to the organisation
- not be a tick the box exercise, done just because every other organisation is doing it. It should clearly add value
- apply to all levels in the organisation. Senior executives should be seen to buy in to the process and take part in leadership development
- involve an assessment component, to create insight into the need for change with the individual participants, and to ensure that any program is targeted towards real development needs. Assessment tools, such as personality tests, need to be selected carefully by trained professionals, not based on the latest fad
- include success measures that are established up front. It is important that there is a way to measure return on investment, where possible, or at least any change generated by the program.

Alumnus Profile

In the spotlight Ashley Fenton



CFO, Salmat

“I WAS ATTRACTED TO SALMAT'S GROWTH-ORIENTED PLANS, AND ENERGETIC AND DYNAMIC ENVIRONMENT”

Ashley Fenton began his career in London, joining PwC Sydney in 1984. Since leaving the firm in 1987 he has had a range of financial positions in various industries, but most recently in the media and telco industry, including CFO of Australia/Galaxy; GM of finance at Fairfax; and director of planning and financial control at Optus. He was appointed CFO of Salmat in January 2002.

What is one highlight of your time with PwC?

Working on the first Castlemaine-Tooheys audit. If I remember rightly, the team included David Craig, Bruce Morgan, Don Burnett and Tiny Lord. We had an office right next to the tap room which we all enjoyed!!

How did you come to work at Salmat and what attracted you to the role?

I took the job because I was attracted to its growth-oriented plans, and energetic and dynamic environment. I was also keen to take a company from private ownership to public.

How have previous roles or experience helped you in your current role?

I have worked with some talented people in a range of different industries and different phases of growth, all of which has contributed to my experience.

What is the state of the customer communications industry and what do you see as the major issues for Salmat over the next few years?

The industry is fairly competitive at the moment and the advertising market is relatively soft. Salmat needs to maintain its competitiveness and be as efficient as possible.

What are your goals as CFO of Salmat?

To make sure the finance function adds value and contributes to the performance of the company.

What have been your greatest career highlights?

I've had many, however taking Salmat public was very rewarding.

Have you ever had a mentor?

I have never had a formal mentor, however I've worked with some terrific CEOs and CFOs and learnt a great deal from them.

Describe your greatest achievement so far?

From a career perspective, after 20-plus years in finance, being CFO of a public company is satisfying.

What inspires you?

People who have a work/life balance.

How do you spend time away from the office?

Mountain biking and ferrying my children from place to place!

What are your goals?

An extended holiday! To go back to Kenya, where I was born and bred, so the family can see it.

Publications

IFRS thought leadership

If keeping up to date with the latest developments in IFRS is important to you, make sure you subscribe to these newsletters:

Headlines – monthly Australian newsletter that provides thoughtful analysis on the latest financial reporting news.

Audit Committee Matters – quarterly Australian newsletter that summarises important developments and insights for audit committee members.

IFRS News – monthly global newsletter that focuses on the implications of the International Accounting Standards Board's proposals and new standards.

WorldWatch – global quarterly newsletter designed to improve corporate reporting, containing opinion articles, case studies and worldwide news.

For more information or to subscribe, visit www.pwc.com/au/ifrs.

AIFRS – the complex issues and the way forward

A review of contemporary issues affecting our clients

Since the introduction of IFRS and AIFRS on 1 January 2005, the reporting landscape has changed significantly. And as can be expected with a change of this scale, a number of concerns have arisen. Many of our clients are questioning not only the technical reporting challenges that the new standards present, but also the broader overarching issues. Most notable is the perception that AIFRS has over-complicated our accounting.

While today's complex transactions mean that simple accounting answers are a thing of the past, we understand our clients' concerns. PwC has released a paper discussing some of the broader AIFRS issues affecting Australian entities, including:

1. Why are financial reports longer under AIFRS?
2. Why aren't the current standards wholly principles-based?
3. What's happening with convergence (IFRS and US GAAP)?
4. Why is AIFRS so complex to apply in practice?
5. What will happen with proprietary company reporting?

To download your copy of this paper please visit the Doing Business section of the Alumni Circle website, www.pwc.com/au/alumni.

Alumnus Business Profile



Owen Firth, FinanceMark

Business profile: FinanceMark

Owen Firth is the founder of FinanceMark, a recruitment consulting firm for the finance and accounting sector that was named in the BRW Top 50 UpStart Companies of 2005.

Owen began his career when he joined PricewaterhouseCoopers in 1987 as an undergraduate straight from school. He started in Sydney Audit and moved to IT Audit in 1992 before leaving the firm in 1993.

What is the history of your company?
I founded FinanceMark (originally named Careers Australia) in 1999 on the good professional principles I learned through PwC and the profession. We operate on values such as integrity, honesty and respect. The business is unique in that it is run and staffed by accountants who operate as professional consultants with a first hand knowledge of accounting, rather than sales people, which sets us apart in the recruitment industry.

What led you to go out and start up your own business?

I had always wanted to and was deliberately building the relevant skills needed, but I was waiting for the right concept to present itself. Through my years in commerce I had built and managed sizeable finance teams and worked with a lot of recruitment companies, most of which I thought were pretty poor.

I researched and developed a business plan for about a year with guidance from my father-in-law, who had years of experience in blue collar recruitment. We kicked off with two desks in a serviced office, and now after eight years we have ten staff, our own floor and plans to double in size over the next few years.

Was it a big change going from an employee to becoming a business owner?

Oh yeah. There were good and bad differences. The freedom to set the vision, guide the business and execute your ideas is fantastic. You certainly don't work any less (some would say you are always working) but when it is something you are passionate about and when you know it is to realise your dream then it is all worth it. I get great satisfaction seeing my ideas and

concepts becoming reality. I have built a great team, with great values and team spirit that I am really proud of.

On the other side of the coin, you quickly realise that you have to pay your own salary – that weekly paycheck stops. You definitely need to take steps backwards to go forwards, so you have to have faith in your vision. As you grow, you need to pay other people's salaries and you effectively become responsible for their livelihood. So you need enough working capital to start with and manage your growth carefully.

Did you have a mentor or adviser?
Yes, a few... you need them! I started with the support of my father-in-law who had years of experience in the industry. I have had a personal coach and now have a business coach. I also have developed a network of other business owners who have been very generous with their time.

Have you remained in contact with former colleagues from PwC?
Quite a few. In fact my first client was a fellow undergraduate who is a good friend. As an undergraduate you get very close with people, so there is a strong common bond. Even if I don't see people for ages there is still a great connection. The PwC alumni events are a fantastic way to reconnect with those who have left and those who are still there.

What are the future plans for the company?
We see FinanceMark as the independent alternative to the traditional recruitment firms and we are working hard to achieve that recognition in the market. We have a plan to double in the next two to three years, which is a fairly conservative plan.

I am also currently kicking off my next business, Performance English, which is a training organisation to help skilled migrants such as accountants develop their English skills and ability to fit culturally at a professional level, which is a huge issue in the market right now.

For more insights into starting your own company, mentors, pitfalls and success, read the full story about FinanceMark on the Alumni Circle website.

Contact Owen Firth on (02) 9959 4511 or at owenf@financemark.com.au, or visit the website www.financemark.com.au FinanceMark also has national and international affiliates.

Foundation News



PwC rewards Champion effort

Sarah Moors from Advisory in Melbourne writes of her recent experiences helping protect endangered turtles in Cape York. The opportunity was given to Sarah as winner of the first annual National PwC Foundation Champion of the Year award, which recognised her enthusiasm and dedication to the work of the PwC Foundation.

“ Each day we would patrol a 24km stretch of Flinders Beach assisting with the tagging and measuring of nesting turtles, protecting their freshly laid eggs with feral pig and dog exclusion devices, removing ghost nets from the beach, and collecting research data.

The sea turtles that nest on the Western Cape York are truly fascinating creatures. It truly was a touching experience to watch these huge, prehistoric, dignified turtles find a location, use their flippers to scrape away the loose sand, precisely excavate an egg chamber and then lay a clutch of leathery shelled eggs.

During our morning patrol we would dig up nests with hatchling tracks to count the number of successfully hatched eggs. Often a few little hatchlings would still be left in the nest, too weak to emerge alone, and we happily helped them head to sea.

The opportunity to see this conservation work first hand in such a remote, rugged location was an incredible experience. My deep felt thanks to PwC Foundation and charity partner WWF Australia for this unforgettable opportunity. ”

Elevate expands to touch more lives

The Elevate youth leadership program piloted in Sydney in 2005/06 proved such a success, PwC Foundation and Mission Australia has expanded the program to Sydney and Melbourne for 2006/07.

Elevate is a 'two-way street', where both young people and PwC people share new experiences and learn skills from each other, while collaborating on community projects and undertaking retreats and work experience.

30 PwC staff together with 30 young people from various backgrounds have been chosen to participate, with the first of 3 retreats held in Sydney and Melbourne in September.

Melbourne Elevate coach David Webb says: "The retreat was an amazing couple of days, and I am confident that the next 10 months of the program will be very challenging."