

An interview with Jeff Lucy

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Speaker: Jeff Lucy, IASC Foundation Trustee

In January 2008 Jeff Lucy joined the Trustees of the IASC Foundation for a three-year term.

As former chairman of the Australian Securities and Investments Commission (ASIC) and incoming Chairman of the Australian Financial Reporting Council, he has been at the heart of Australian and international regulatory affairs for a decade.

‘There are two reasons why I became a Trustee’, he said. ‘I’m a passionate believer in international accounting and auditing.’ This passion found its expression in his work within various regulatory bodies on an international level. ‘When I was with the ASIC I worked with the international regulators, initially with IOSCO, then I became the first chairman of the International Forum of Independent Audit Regulators.’

The second reason for his engagement is geographical.

Australia can feel isolated from the international capital markets, their regulators and standard-setters and this acts as an incentive to be more enthusiastic than most to overcome this perception.

Lucy explains: ‘For us in Australia, with a modest capital market, it is so important that we participate internationally and help Australia punch above its weight.’

This influences what he would like to achieve during his term as a Trustee.

‘First and foremost I am representing Australia’, he said. ‘It is important that we continue to be around that table.’

Challenges

However, Lucy also recognises that there are wider issues at play: ‘I think that the role of Trustees is not about individuals. It is a team. It is a consensus-driven group. But there are challenges: Europe, the structure of the IASB and the US decisions on IFRSs. It is a very interesting time. We Australians can be helpful because of our geography. We are not America and we are not Europe. Our views are respected because we are entirely independent.’

The new Trustee comes from a country that has seen an effective adoption and implementation process of IFRSs. 'It went extremely well', he remembered. 'There have been issues but the financial people and the audit committees have responded to the challenge. It has not been seamless but it has worked.'

As an example he points to the creation of the Financial Reporting Panel, which acts in a similar way to that of the Financial Reporting Review Panel in the UK: 'If the regulator felt something was inappropriate in a set of accounts then it would be reported to the Panel.'

Lucy points out that so far: 'There has not been a single referral.'

Wider responsibility

He also sees a wider responsibility stemming from the Australian success: 'One of our responsibilities is to be available in case our neighbours such as China, Hong Kong, India, Japan, Korea or Pakistan need advice related to adoption issues, for example.'

Here his previous work as an international regulator is beneficial. 'I've met many of the regulatory organisations in these countries, so it is natural for me to open up communications with them', he said.

And he has one final point on the work of the Trustees: 'One of the real responsibilities for a body of Trustees is to deal with succession. The IASB has been extraordinarily successful. That hasn't happened by itself. It has had a really committed and capable chairman and members. We need to ensure that the momentum is not lost. We need to bring people on and take it further.'