You are invited to School of Accounting seminar:

**Professor Gerry Gallery, Queensland University of Technology**  
Friday 17 October 3.30pm  
Location: Quad 2093 [not 2063]

**Abstract**

We examine a unique feature of the Australian Securities Exchange's (ASX's) mandatory quarterly reporting regulations for mining exploration companies. These regulations require the reporting of mining activities inclusive of a prescribed format quarterly cash flow report containing forecasted pre-production costs. Motivated by the absence of any prior research on mandatory cash expenditure forecasts, we investigate compliance, the reliability of the forecasts and firm-specific factors associated with forecast reliability. Our findings reveal a high level of compliance but significant inaccuracies (median forecast error of around 50 percent of actual expenditure for exploration and evaluation expenditure and 85 percent for development expenditure), and some evidence of forecast bias. Forecast inaccuracy is more prevalent in firms that have poorer performance, greater financial slack, greater cash-flow volatility, no financial leverage, and in firms that are smaller, in the pre-development stage, and in the mineral (non-oil and gas) sub-industry. Our findings question the usefulness of mandatory forecasting by showing that the information role of forecasts in capital markets is impaired when firms have little discretion over the forecast decision, timing and specificity.

**Bio:**

Professor Gallery joined the QUT School of Accountancy in 2006 in a professorial research role and chairs the School's Teaching and Learning Committee. He previously taught accounting to undergraduate and postgraduate students at the University of New South Wales, Griffith University, the University of Queensland and Bond University. Prior to commencing his academic career in 1993, Gerry worked in the telecommunications industry in various accounting, financial management, and resource management roles.

His research Interests are:

- Financial accounting and disclosure
- Information flows and information quality in capital markets
- Superannuation and retirement income policy

Gerry's research reflects his teaching and broad interest in the area of financial disclosure and accounting regulation. Within this area his research encompasses the disclosure strategies of firms, disclosure effectiveness, superannuation fund reporting, and the implications of alternative reporting practices for market participants and financial regulators. He currently holds an ARC Discovery Project Grant in the superannuation area. Gerry's research has been widely published in accounting and finance, economics, law, public policy, and industrial relations journals.