

2017 report to members

By Steven Burrell, Chief Executive, Governance Institute of Australia

2017 has been a year in which we have laid down strong new foundations for the future, to underpin growth and to ensure financial sustainability and organisational success in the years ahead.

Strategic direction

Governance Institute's overall strategic objective continues to be to position itself as the expert in governance in the Australian market, which in turn builds our awareness and brand strength.

But it is also fundamental that Governance Institute has the financial strength to underpin its long-term sustainability and provide the resources to allow it to deliver on its mission and vision.

To do this it needs to continue to grow. Growth in membership, enrolments in education and training and our other services will create stronger revenues, ensuring organisational sustainability and providing the financial means to fund improved benefits to members and other aspects of our mission. Ensuring a growing and vibrant Institute will also give us greater 'critical mass' and influence in our advocacy.

There have been a number of important initiatives in 2017 aimed at strengthening that growth. While these are already bringing positive benefits, their full impact will be seen in even better results in future years. In this sense, we have been acting to lay the groundwork today for a stronger tomorrow.

These initiatives and strategic changes include new pathways to membership, new governance training courses

and improvements in our higher education courses, improvements in our professional development events such as the National Conference, new alliances with other organisations, a new digital strategy and the successful introduction of new IT platforms.

Our expanded Professional Entry Scheme (PES) was introduced in April and has already resulted in a significant increase in membership, especially in the Associate and Fellow categories. We have opened further new pathways to membership through creating two early entry options from existing Governance Institute postgraduate courses.

We have developed a new training course for aspiring and practising directors and the pilot course was held in September.

Our new fully online Sports Governance training course, *Working in Sport Essentials*, was launched in September, and a number of major sporting organisations have already signed up for the program to be provided to their members.

We have secured alliances with other organisations to provide access for their members to our high quality education, training and professional development. These include our partnership with Chartered Accountants Australia and New Zealand (CAANZ) to provide its large membership with short course training.

We have also created new partnership agreements with tertiary education institutions.

All of these initiatives leverage our significant investment in new information technology systems, which will improve delivery of our education, training and other services, streamline membership processes and improve the usability of

our website, including making it more accessible from mobile phones, tablets and other devices. This is aimed at making every customer's engagement with us a better experience.

The on-going implementation of our digital strategy will deliver new and innovative ways to engage with members, including better use of our website and social media, richer and more relevant content, enhanced member communications and easier access to information. A highlight will be the introduction of a new and improved digital version of *Governance Directions* journal.

Education and training

As Australia's only professional association with an accredited higher education qualification in governance, Governance Institute has built a reputation as the nation's leading provider of education and training for governance professionals.

The Graduate Diploma of Applied Corporate Governance is recognised as the premier qualification for senior governance practitioners. In recent years we have introduced courses in risk management to cater for the expanding professional needs of our members, with 2017 marking the third year of the Graduate Diploma of Applied Risk Management and Corporate Governance and the Graduate Certificate of Applied Risk Management.

A major review of the ICSA International Qualifying Scheme has been underway throughout 2016 and 2017. We will be developing new postgraduate subjects over the coming year in preparation for this new IQS in 2019.

The introduction of blended learning in postgraduate courses is underway,

with initial implementation in one subject in Semester 1 2018. Higher Education FEE-HELP will also be introduced next year.

We have meanwhile continued securing articulation agreements with key universities and higher education providers to give our students advanced standing into their Masters programs or actually integrate our postgraduate diploma subjects into their degree programs.

In governance training, we provide a wide range of short courses leading to Certificates in Governance Practice, Governance and Risk Management and Governance for Not-for-Profits. Offered as face-to-face public training, online or tailored in-house learning, these provide skills-based governance and risk management training and a qualification for professionals who are responsible for corporate accountability processes within an organisation.

Policy, advocacy and thought leadership

In 2017 Governance Institute continued to devote significant resources to enhancing Australia's governance framework through our ongoing thought leadership program.

We facilitated discussion and stakeholder engagement on key issues during 2017 including reform of the Corporations Act and reform of the annual general meeting, as well as launching new guidelines on aged care governance.

We have again been active in advocacy on a wide range of issues, including a multi-stakeholder campaign to progress not-for-profit funding reform, superannuation fund governance and reform of the funding model for the corporate regulator, ASIC.

We made a significant contribution to the public debate on corporate culture and ethical behaviour in business with the launch in August of the second annual *Governance Institute Ethics Index*, capturing the attention of the media, business, regulators and government. This was complemented by Governance Institute's partnering with Griffith University and three other universities

in research into whistleblowing in the private and public sectors.

Governance Institute participated in confidential consultations with government on a range of issues, including Federal Treasury's corporate regulation reform project, as well as working with ASIC on a high level roundtable on proxy advisers involving key stakeholders.

We published three new Good Governance Guides: *A practical guide to categorising risk*, *Developing a risk register* and *Appointment of a director*.

In addition to thought leadership, Governance Institute supports the work of three internal policy committees that enable it to contribute to the legislative and regulatory debate. Governance Institute is also a member of a number of external bodies, including the ASX Corporate Governance Council, Standards Australia's Risk Management Committee and ASIC's Business Advisory Committee, as well as international forums such as the Corporate Secretaries International Association and the International Corporate Governance Network.

New directions for ICSA

The Annual General Meeting of our international body, the Institute of Chartered Secretaries and Administrators (ICSA) was held in London on 4 October where the member vote on some important changes being proposed for ICSA was decided.

The first was the introduction of a part-qualified class of membership to be called Affiliated Member. The other is the creation of a second designation called Chartered Governance Professional to sit alongside the existing Chartered Secretary designation.

These two significant strategic initiatives, strongly supported by members of the Australian Division, will position the Institute to evolve and become more fit for purpose for the 21st century.

Financial health

Although trading conditions in 2017 have been difficult in some areas of Governance Institute's operations,

our financial position remains strong. Overall membership has been growing strongly, including the first increase in Associate and Fellow membership since 2010, while other areas, including short courses and training, have also performed well.

For those members who wish to examine the finances of our company in more detail, Governance Institute has a 31 December balance date and will publish its Annual Report in April 2018.

Conclusion

2017 has been a year of challenges but also considerable success for Governance Institute as it continues its evolution into a more broadly based organisation serving the full spectrum of those involved in governance

We have developed important new products and services for members and clients and improved our customer processes, while continuing to make significant contributions to Australia's governance knowledge, capacity and legislative framework.

We would like to thank all of our members and our dedicated staff for their hard work and contribution to these achievements over 2017. In particular, we want to thank our many dedicated volunteers who have greatly assisted the organisation by teaching, serving on state councils and policy committees and contributing in so many other ways.

Without your on-going support, involvement and great passion for Governance Institute, we could not have had the success we have achieved this year ■



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