Governance Institute of Australia Ltd (Governance Institute) promotes and advances effective governance in Australian organisations and the wider community. We principally do this by training people so they can advise their organisations on good governance practice and then support them as members, including through advocating for sound regulatory frameworks. This is our public good.

We know whether we’ve done a good job by tracking the following metrics that are aligned to our mission statement. We focus on the lifecycle of our students and so we track how many people graduate from our courses, both postgraduate and open-entry, and then progress to membership.

Then we focus on our members’ level of satisfaction as measured by retention rates and satisfaction surveys from independent third parties such as the Beaton study on page 1. This tells us whether or not we have been providing what our members want. If our retention rate or member satisfaction levels drop, we know without a doubt that we have some work to do.

Finally, we look at our human and financial capital. We look at our mix of revenue (page 5), staff diversity and turnover, and training budget as all are critical if we are to be sustainable in the longer term.

By putting it all together our objectives are always to strive to see that:
• Australia’s governance frameworks lead the world in facilitating a strong economy underpinned by responsible performance.
• current members and aspiring chartered secretaries, governance advisers and risk managers are provided with the best education, resource support and career support to enhance their professional standing.
• the organisation is strategically focused on being innovative, encouraging positive engagement with all stakeholders and fostering a culture and values that ensures it is sustainable.

### Key metrics

#### Total number of members

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>6,938</td>
</tr>
<tr>
<td>2013</td>
<td>6,888</td>
</tr>
<tr>
<td>2012</td>
<td>6,871</td>
</tr>
</tbody>
</table>

#### Member retention (in percentages)

<table>
<thead>
<tr>
<th>Year</th>
<th>Certificated</th>
<th>Associate/Fellow</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>92%</td>
<td>96%</td>
</tr>
<tr>
<td>2013</td>
<td>93%</td>
<td>97%</td>
</tr>
<tr>
<td>2012</td>
<td>91%</td>
<td>96%</td>
</tr>
</tbody>
</table>

#### Gender diversity

- **Workplace — Entire staff**
  - 2014: 22% female, 78% male
  - 2013: 22% female, 78% male
  - 2012: 22% female, 78% male

- **Workplace — Senior management**
  - 2014: 45% female, 55% male
  - 2013: 45% female, 55% male
  - 2012: 45% female, 55% male

- **Board gender balance**
  - 2014: 25% female

#### Staff turnover

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>29%</td>
</tr>
<tr>
<td>2013</td>
<td>10%</td>
</tr>
<tr>
<td>2012</td>
<td>10.3%</td>
</tr>
</tbody>
</table>
The 2015 Benchmarks Associations Report conducted by Beaton Research + Consulting provided a benchmark for 21 associations’ performance as measured by responses to surveys of their members. In 2015, Governance Institute was positioned first for overall performance when benchmarked against other participating peer associations. Governance Institute has retained this position for nine of the last 10 years.

Overall ranking in Beaton study

The 2015 Benchmarks Associations Report conducted by Beaton Research + Consulting provided a benchmark for 21 associations’ performance as measured by responses to surveys of their members. In 2015, Governance Institute was positioned first for overall performance when benchmarked against other participating peer associations. Governance Institute has retained this position for nine of the last 10 years.
Governance Institute of Australia is committed to preparing an integrated report as its Annual Report to members. This is the third year we have done so and we trust that members gain a clear and unambiguous view of how the organisation is fulfilling its mission and meeting its objectives.

Our report
This year’s report is a particularly significant one as we have the pleasure of reviewing the first full year of activities of our organisation operating under its new name of Governance Institute of Australia (Governance Institute).

As we are continuing with publishing an integrated report our objective is to provide a holistic picture of the matters that materially affect the ability of Governance Institute to create value over time in the service of fulfilling our public good of improved governance practice in Australia. From feedback we have received from the previous two integrated reports we have made a number of changes that we hope you see as improvements.

Our new name and brand positioning
The new name demonstrates the external alignment with what has been happening internally and makes it easier to explain to prospective members what we do. Since the change became effective we have seen a 31 per cent increase in monthly visitors to our website, a 12 per cent increase in the number of people that subscribe to our regular policy updates and more than a doubling of followers on social media.

Our media presence has improved by over 100 per cent from 2013 and we will finish the year with the strongest media presence in over a decade. The focus on governance has also made it more natural to take policy positions on a wider range of governance issues such as the systemic issues in the financial advice sector, engagement between ASX-listed companies and asset owners and whole of government governance for public sectors to name a few.

Recently undertaken market research has also revealed a three-fold increase in the perception that Governance Institute provides strong leadership and a four-fold increase in the perception that it is authoritative. All of this while still maintaining the recognition that Governance Institute is focused on governance practice.

Education and advocacy
A principle role for Governance Institute is to equip individuals with the skills they need to improve their organisation’s performance in a responsible way. Governance Institute now provides multiple pathways to Fellow, Associate and Certificated membership. Of our three Certificate courses, in addition to governance practice, we have one aimed at the not-for-profit (NFP) sector and another in risk management.

In August, the higher education regulator, the Tertiary Education Quality Standards Agency, approved our application for accreditation of two new postgraduate courses, the Graduate Certificate of Applied Risk Management (currently offered as the Advanced Certificate of Risk Management) and the Graduate Diploma of Applied Risk Management and Corporate Governance. These qualifications lead to Associate membership of Governance Institute, as well as the postnominals AGIA, and can lead to Fellow status if other requirements are met.

These initiatives are consistent with our mission and the evolution of our organisation. Governance Institute finished 2014 with 896 Certificated members and over 6,000 members that are Chartered Secretaries. Risk management professionals now make up 8 per cent of all new members and 53 per cent of new members now hold roles such as non-executive directors, regulators, lawyers in practice, consultants and more.

The middle of this year also saw the release of Guidelines: Improving engagement between ASX-listed entities and their institutional investors. Effective shareholder engagement is an important element of efficient capital markets and Governance Institute in partnership with Sandy Easterbrook took the lead in facilitating the development of these industry based guidelines.

From the investor perspective, economic prosperity benefits from successful companies where shareholders are rewarded for the risks they take in providing capital. What is good for shareholders is ultimately good for society.
Support for changes to Charter and by-laws

On 5 March 2014 Her Royal Majesty the Queen in Council passed the Privy Council recommendation to approve the amendments to ICSA’s Royal Charter and by-laws that stemmed from the General meeting of all members of the Institute of Chartered Secretaries and Administrators (ICSA) to include proportional representation to the International Council as well as the United Kingdom part of ICSA becoming a division like all other divisions.

There have been two Council meetings this year under the new by-laws and composition of Council and both have been extremely positive. The new structure that has the United Kingdom operating as a division along side the existing eight divisions (as opposed to concurrently servicing the UK membership and supporting the Council) enable the Council’s mindset to be focused entirely on the global future of the profession. There are a refreshing set of new initiatives in the pipeline that bode well for the future.

Financial health

Trading conditions were not as strong in the second half of 2014 as were budgeted and so 2014 ended with a loss of $324,407. The nature of Governance Institute’s business involves substantial fixed costs that could not be reduced during the second half of the year. Notwithstanding the disappointing trading result the year end cash position will finish at $2,976,493.

Conclusion

In closing, 2014 has been a satisfying year in many respects. Our change of name and brand repositioning have been well received by our members and wider stakeholder groups and our thought leadership has been influential. Nevertheless, there are some trading circumstances that present challenges and these are being addressed by your Board and management.

We would like to take this opportunity to thank all of the members and staff of Governance Institute who have assisted the organisation by teaching, serving on state councils and policy committees, and contributing to the development of information and other activities. We could not have achieved so much without you.

Trisha Mok FGIA FCIS
President and Chair of Governance Institute of Australia Ltd and of the Australian Division of ICSA.

Tim Sheehy FGIA FCIS
Chief Executive of Governance Institute of Australia Ltd and of the Australian Division.
Governance and stewardship

Governance Institute’s own governance framework is deliberately modelled on those of leading listed companies but with the uniqueness of being a membership organisation as an added consideration. We believe this approach is not only appropriate but ensures the organisation can deliver substantial value to members into the future.

Governance Institute reports against the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations. We see these principles as extremely relevant to this organisation.

Our Corporate Governance Statement is available on our website at www.governanceinstitute.com.au/about-us/governance-institute-governance/annual-report/. But as we are a membership organisation the need to communicate regularly and consult often is greater and so we will outline below those aspects of our governance framework that go beyond the Principles and Guidelines.

Transparency

We report to members not only in this annual report, but also in our journal, Governance Directions, and in e-communications. These disclosures cover keeping members up to date on how the organisation is fulfilling its mission, any proposals for (and voting outcomes on) constitutional change and their impact on members, as well other membership matters that go to the sustainability of Governance Institute as a member-based association.

In 2014 we communicated extensively about our thought leadership initiatives and new accredited courses. Via direct correspondence, e-communication and the journal, we have outlined these projects and how they have been received by stakeholders.

We also communicated extensively during the year to keep members up to date on the progress with the change in the Charter and by-laws of the Institute of Chartered Secretaries and Administrators. As the vote was at the end of 2013 it was important to keep the flow of information up so that members would know the outcome and how the new council was progressing.

We use social media as another channel to inform members via our pages on LinkedIn and Facebook and via Twitter. Whilst these channels are not used by all members we know that we must use every channel possible to reach our members in whichever way they prefer.

We have also been transparent to you about our relationship with the international organisation, Corporate Secretaries International Association, which was founded to enable Governance Institute to engage with similar organisations that are not part of the Commonwealth-based ICSA.

Internally, we practise what we preach by circulating all board papers and the full strategic plan to all staff (except those papers relating to personal staff matters). There is full transparency to all those working on behalf of members as to board and executive decision-making. We also have regular all-staff meetings where progress on strategic issues is discussed as well as outlining progress on our annual financial goals.

Accountability

Governance Institute operates at the national level and with representation in all states. Members of our Board of Directors are elected from each state, for a term of three years.

The Board of Directors has a clear understanding of the respective roles and responsibilities of the Board and management and has clarified this in a board charter, which is available on our website at governanceinstitute.com.au/media/378795/board-charter.pdf

Each state council also has a clear understanding of its role in assisting the Board to represent the interests of the members in each state. The State Charter that was introduced in 2013 to reflect the changing role of the state councils and to enable the councillors to understand the importance of their ambassadorial and mentoring role has been very successful in promoting the change in focus.

Early in each year, the President and Chief Executive attend a meeting of each state council where the council is given an overview of progress during the prior year and priorities for the coming year at both a state and national level.

As in many organisations the strategic plan forms the basis of activities for the future but it also acts as the primary accountability mechanism between management and the board. All tasks have clear performance indicators and timelines and are monitored regularly by the Chief Executive and Board.

The reporting process to the Board is clear, with the Chief Executive reporting at each board meeting on progress against the strategic plan as well as on financial and operating performance. Key management personnel also present to the Board annually, providing an opportunity for the Board to question senior management directly.
Stewardship and financial sustainability

There is an enterprise-wide recognition that Governance Institute is managed for the benefit of members, taking reasonable account of the interests of other legitimate stakeholders. The Directors and the Chief Executive have worked to ensure organisational sustainability, not only through sound financial management, but also by opening up a new membership category (to provide a home for those entering a career in governance and risk management), expanding into other sectors such as the NFP and public sectors, and developing new products such as the Graduate Certificate of Applied Risk Management and the Graduate Diploma of Applied Risk Management and Corporate Governance to cater for the expanding professional needs of our members.

The repositioning of the brand and change of name to Governance Institute of Australia was a strategy that the Board undertook with a view to the longer term sustainability of the organisation. A number of years ago the Board and management came to the view that maintaining almost a sole focus on the role of company secretary would not result in enough new members to populate committees and have a substantial enough voice in policy.

As has been discussed above and in the past the Board opened up the membership to appeal to a wide range of governance practitioners and developed new qualifying programs. These strategies have been successful and so it became apparent that the name of the organisation needed to change to reflect what the organisation had turned into.

All of the major strategic decisions are the result of ongoing strategic planning process that has been in place for over 15 years. Each year, the board meets off-site to provide for a sustained focus on strategy alone, as well as reviewing strategy at each Board meeting. The strategy process sets KPIs for senior management, is clearly documented, and it is reported against at each Board meeting.

To ensure the financial health and sustainability of the organisation, over past years the Directors have set strategies to diversify revenue streams away from a dependency on income derived from membership renewal fees. Twelve years ago nearly half of total income came from membership and this was seen as unsustainable. Strategies were put in place to expand income from more diversified learning, seminars, workshops, conferences and products. As such, now less than 30 per cent of Governance Institute’s total income is derived from member and subscriber fees. The focus is now on generating surpluses that provide sufficient reserves for future investment and operating the business at adequate levels of productivity.

Integrity

All members must abide by the Members’ code of ethics (see page 52). There are few disciplinary actions against members and there is strong member retention — these combined reveal how you, the members, embody integrity in your professional practice.
Membership of Governance Institute

New members
To be eligible for Associate or Fellow membership, candidates must complete 18–24 months part-time study. This high standard of entry ensures these membership categories continue to be well regarded by the marketplace.

Overall Governance Institute’s membership increased between 2013 and 2014.

The Board acknowledges that Associate and Fellow membership growth will be moderate, due to the significant time and commitment involved. Associate new members dropped back slightly and Fellow new members increased slightly between 2013 and 2014. The continued focus for 2015 will be to convert graduates of our courses into members.

The Certificated member category continues to go from strength to strength. This category of membership meets the needs of those who have a general interest as well as those who are beginning their careers in governance and risk management.

<table>
<thead>
<tr>
<th>New Governance Institute members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificated</td>
</tr>
<tr>
<td>2014</td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>2012</td>
</tr>
</tbody>
</table>

Member retention
Governance Institute is proud of our strong retention rates for all of our membership categories. This is particularly gratifying when maintaining current membership is not mandatory for company secretaries or governance professionals in any market or industry sector in Australia, including ASX listed companies.

For many of our members, Governance Institute is one of several professional memberships they maintain annually, with a high percentage of members self-funding their renewals each year.

Associate and Fellow membership retention declined by only one percentage point between 2013 and 2014. However, an increased focus will be placed on retention activities in 2015.

Certificated membership was introduced in late 2008, so it is premature to expect a trend at this stage. Nonetheless, our focus will remain on increasing retention for this membership category in 2015.

Our members who were elected to or advanced to Fellowship, or achieved continuous membership of 50 or 25 years can be viewed on pages 23–24.

<table>
<thead>
<tr>
<th>Member retention rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificated</td>
</tr>
<tr>
<td>2014</td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>2012</td>
</tr>
</tbody>
</table>

Governance Institute is proud of our strong retention rates for all of our membership categories.
Membership gender representation

Governance Institute is committed to diversity in company secretarial, governance and risk management roles of responsibilities in Australia.

Despite the profession traditionally being male-dominated, the number of females studying with Governance Institute and becoming members is steadily increasing.

This change can be seen more clearly in our gender proportions for our Certificated category of membership which commenced in October 2008.

The current larger proportion of male Associate and Fellow members reflects the demographic history of the profession, with over 50 per cent of members over 60 years of age.

However, an increasing number of female candidates moving through our courses will lead to more equitable representation in coming years.
Strategy

Governance Institute has a well developed strategic planning process in place that involves input from senior staff, state and regional councils and the Board in its development. The robustness of this process has contributed greatly to the continued growth and health of the organisation.

In the middle of each year the Board and senior staff meet for a weekend strategy meeting to review progress, assess the environment and based on evidence develop broad plans for the organisation. The weekend meeting develops a draft plan that is revised and reviewed in September and then finally approved at the final Board meeting of the calendar year.

The plan then forms the basis of each staff member’s own personal performance plan which in turn underpins each staff member’s performance-related remuneration.

Finally, the Chief Executive reports to each Board meeting on progress against the plan.

To work toward achieving Governance Institute’s mission of driving responsible performance for the benefit of all organisations and the wider community, three objectives have been set by the Board. The objectives for Governance Institute are to strive that:

• Australia’s governance frameworks lead the world in facilitating a strong economy underpinned by responsible performance
• current members and aspiring chartered secretaries, governance advisers and risk managers are provided with the best education, resource support and career support to enhance their professional standing
• the organisation is strategically focused on being innovative, encouraging positive engagement with all stakeholders and fostering a culture and values that ensures it is sustainable.

The way we will evaluate our success is by measuring participation, engagement and being successful with advocacy outcomes. We will report on trends in enrolments, completion rates and rates of conversion to membership.

Advocacy and thought leadership

Governance Institute will continue to devote significant resources to enhancing Australia’s governance framework so that it leads the world in facilitating a strong economy. For example, in 2014 we initiated a thought leadership program — the Setting the Agenda series.

Governance Institute’s Setting the Agenda series fosters frank and robust discussion at the highest level to determine what Australia’s governance framework should be in the 21st century. The series aims to help shape the right governance framework through in-depth discussion papers, public forums and public commentary. The first project was aimed at improving engagement between investors and companies. In partnership with Sandy Easterbrook the Improving engagement between ASX-listed companies and their institutional investors: Principles and Guidelines were launched by David Gonski AC. The second project revolves around the primacy of directors’ obligations to shareholders and the need to clarify this as society’s expectations of the role that large listed companies play in our community increases. We will be facilitating further discussion about key issues during 2015 as the series continues.

In addition to thought leadership, Governance Institute will continue to support the work of three internal policy committees that enable the Institute to contribute to the legislative and regulatory debate that is ongoing. In 2014 we were again active in the debate for the future of the ACNC, the systemic governance challenges in the financial advice sector and the future of the AGM after the abolition of CAMAC.

Governance Institute is also a member of a number of external committees and organisations, including the ASX Corporate Governance Council, Standard’s Australia Risk Management Committee, and ASIC’s Business Advisory Committee. We participate in these committees because we have something to contribute but also because it is consistent with our objective to influence the development of Australia’s governance framework.

Finally, we will also further our objective by engaging in international forums such as the Corporate Secretaries International Association and the International Corporate Governance Network so that we can influence the regulation in other countries that could flow back to Australia.

We know that we have been successful if we achieve the policy outcomes for which we have been advocating.

Learning

Governance Institute is committed to preserving its reputation as the premier educator in governance education in Australia. We are Australia’s only professional association with an accredited higher education qualification in governance and continue to enjoy increasing participation from aspiring professionals.

Governance Institute is committed to continually improving the quality of its courses and the flexibility and quality of its distance learning. Medium-term projects are already underway
to improve the quality of our filming, enhancing the functionality in our chat-rooms and increasing the depth of our on-line libraries. Many of these enhancements were introduced in 2013 with more over 2014 and 2015. These initiatives improve our course retention and graduations rates which is how we measure our success.

This year also saw the launch of Graduate Certificate of Applied Risk Management and the Graduate Diploma of Applied Risk Management and Corporate Governance to cater for the expanding professional needs of our members. These courses in risk management are unrivalled in breadth and depth of coverage and are ideal for risk practitioners and senior managers who want to progress in their careers and learn from the leaders in the field.

Finally, the Graduate Diploma in Applied Corporate Governance continues to be recognised as the premier qualification for senior governance practitioners. This qualification is considered essential for anyone seeking a senior career in governance, particularly in listed companies.

We know that we have been successful if we can produce graduates that can enhance their professional standing and achieve improved responsible performance for their organisation.

**Intellectual property**

Over a decade ago the Board made the decision that to underpin the organisation’s mission it had to provide much of its intellectual property to the community at no or nominal cost. This is an essential part of Governance Institute’s public good and has influenced its intellectual property strategy ever since.

There are now 50 Good Governance Guides freely available on our website. There are also 11 in-depth booklets available at nominal cost. In addition there are comprehensive and instructive best practice guides on how to construct an agenda, write minutes, prepare an action list, prepare voting forms and prepare a register of interests and related party transactions.

We are extremely grateful to our members for donating their substantial time and expertise in developing all of our intellectual property. We recognise these are worthy initiatives because we know how many people view them, or download them or order them. We measure our success by the demand we get.
Training and developing the profession

Governance Institute uses education and training to promote good governance and risk management practice by:

- developing and enriching the governance and risk management expertise of members
- encouraging new membership of Governance Institute via education and training pathways
- encouraging the uptake of governance and risk management skills more generally in the wider community.

The pathways to acquiring governance and risk management skills.

Individuals engage with our education and training by searching for specific issues and for just-in-time learning in a particular area, for example what does a company secretary do? And then they progress as their needs change to undertake further education.

At the professional level, individuals undertake short courses which articulate into one of three Certificates. There is a continued trend of predominantly female enrolment in these courses.

Number of short courses undertaken

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of short courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>4,389*</td>
</tr>
<tr>
<td>2013</td>
<td>4,342*</td>
</tr>
<tr>
<td>2014</td>
<td>4,091</td>
</tr>
</tbody>
</table>

* 2012 and 2013 have been recalculated for fair comparison.

Number of Certificate enrolments

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Certificate enrolments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>523</td>
</tr>
<tr>
<td>2013</td>
<td>615</td>
</tr>
<tr>
<td>2014</td>
<td>441</td>
</tr>
</tbody>
</table>

Number of graduates

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>423</td>
</tr>
<tr>
<td>2013</td>
<td>446</td>
</tr>
<tr>
<td>2014</td>
<td>428</td>
</tr>
</tbody>
</table>

GIA(Cert) membership

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of graduates who became members</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>200</td>
</tr>
<tr>
<td>2013</td>
<td>213</td>
</tr>
<tr>
<td>2014</td>
<td>240</td>
</tr>
</tbody>
</table>

Profession membership

Those who have undertaken education at postgraduate level with us are entitled to become Associate or Fellow members. Graduates of a Certificate are entitled to apply for Certificated membership. They form the total membership of Governance Institute and enjoy a broad range of resources and benefits.

Certificated members by gender

<table>
<thead>
<tr>
<th>Year</th>
<th>Male (%)</th>
<th>Female (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td>2013</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>2014</td>
<td>40%</td>
<td>60%</td>
</tr>
</tbody>
</table>
Governance Institute's Certificates
- Certificate in Governance Practice
- Certificate in Governance and Risk Management
- Certificate in Governance for Not-for-Profits.

Governance Institute's postgraduate courses
- Graduate Diploma of Applied Corporate Governance
- Graduate Certificate of Applied Risk Management
- Graduate Diploma of Applied Risk Management and Applied Corporate Governance
- Advanced Certificate of Risk Management (no longer accepting new enrolments as of January 2015).

Postgraduate courses
Individuals can undertake an accredited postgraduate course as their careers progress, providing a deeper and much more rigorous exploration of knowledge and skill, appropriate to more senior levels of governance and risk management responsibility. The enrolments in postgraduate courses reflect the gender balance of broader society and will, in the long term, lead to evolution in the composition of Governance Institute's membership. In 2015 three accredited postgraduate courses are offered.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of postgraduate enrolments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,255</td>
</tr>
<tr>
<td>2013</td>
<td>1,326</td>
</tr>
<tr>
<td>2014</td>
<td>1,263</td>
</tr>
</tbody>
</table>

Number of enrolments by Certificate graduates
Many Certificated members benefit from greater exposure to the governance knowledge and skills found in Governance Institute’s postgraduate courses.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of enrolments by Certificate graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>71</td>
</tr>
<tr>
<td>2013</td>
<td>63</td>
</tr>
<tr>
<td>2014</td>
<td>82</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>197</td>
</tr>
<tr>
<td>2013</td>
<td>205</td>
</tr>
<tr>
<td>2014</td>
<td>220</td>
</tr>
</tbody>
</table>

AGIA or FGIA membership

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of graduates who became members</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>160</td>
</tr>
<tr>
<td>2013</td>
<td>176</td>
</tr>
<tr>
<td>2014</td>
<td>180</td>
</tr>
</tbody>
</table>

Professional development events
Ongoing professional development is key to maintaining the currency of knowledge of our members. Governance Institute delivers a variety of special events such as conferences, seminars, workshops and executive briefings on governance and risk management to enhance the knowledge of members and others who look to the Institute to keep abreast of new developments.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of events</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>230</td>
</tr>
<tr>
<td>2013</td>
<td>221</td>
</tr>
<tr>
<td>2014</td>
<td>215</td>
</tr>
</tbody>
</table>

Attendees at professional development events
Professional development events are made available to a wide audience which includes members and others. Attendees often appreciate the timeliness of topics presented by subject matter experts and will make a point of relying on Governance Institute for their continuous professional development.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>6,807</td>
</tr>
<tr>
<td>2013</td>
<td>6,041</td>
</tr>
<tr>
<td>2014</td>
<td>5,534</td>
</tr>
</tbody>
</table>

Number of members

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>6,871</td>
</tr>
<tr>
<td>2013</td>
<td>6,888</td>
</tr>
<tr>
<td>2014</td>
<td>6,938</td>
</tr>
</tbody>
</table>

Fellow and Associate members by gender

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>84%</td>
<td>16%</td>
</tr>
<tr>
<td>2013</td>
<td>83%</td>
<td>17%</td>
</tr>
<tr>
<td>2014</td>
<td>81%</td>
<td>19%</td>
</tr>
</tbody>
</table>
Governance Institute members involved in education and training

Governance Institute members are a vital part of the mix in the development and presentation of education and training programs. The expertise and practical experience of members, coupled with the insight of selected academic experts who have studied governance systems and legal frameworks for many years, lends cachet to Governance Institute-as-educator model. This is well recognised by industry. By being involved in training and education, Governance Institute members can also further hone their own practical skills and conceptual frameworks. As a result, governance and risk management skills are handed down from generation to generation.

Course directors of postgraduate course subjects who are Governance Institute members
Course directors are lecturers in the Graduate Diploma. They are responsible for teaching classes to a postgraduate standard.

Guest presenters at postgraduate course subjects who are Governance Institute members
Guest presenters provide specialised expertise in specific sections of the Graduate Diploma classes.

Training presenters who are Governance Institute members
Training presenters deliver the short courses for Governance Institute.

Members of Education Committee, Assessment Review Committee and Subject Advisory Committees who are Governance Institute members
Governance Institute has several academic committees and panels including the Education Committee, the Assessment Review Committee, and Subject Advisory Committees of each subject.

Members of training committees who are Governance Institute members
Training committees were set up in 2012 to provide consistency and quality for the training course material.

Governance Institute also uses non-members in particular specialised roles in education and training. This is done where the skill set does not exist within the membership, or where particular qualifications are required, for example, academic accounting qualifications for delivery of the accounting/finance subjects in the Graduate Diploma of Applied Corporate Governance.
Leadership and influence

Advocacy plays an important role in ensuring that our members' expertise and knowledge contributes to the development of public policy that supports the long-term economic growth and social benefit of the nation. Our focus is always on working toward public policy that drives responsible performance in all sectors.

Our contribution consists of providing advice to and engaging with regulators, policy makers and other stakeholders, representing members on relevant industry and regulatory committees and working groups, including international working parties, and making submissions on proposed reform.

Key to our capacity to influence the development of public policy is the formulation of ideas for improvements to corporate governance frameworks through our thought leadership program — a proactive rather than a reactive approach.

In 2014, we launched the Setting the Agenda series to influence the continuing development and direction of corporate governance policy and practice by generating ideas and concepts that can be discussed by all stakeholders. Two major thought leadership projects on shareholder engagement and shareholder primacy set the tone.

Shareholder engagement

The shareholder engagement Principles and Guidelines (Improving engagement between ASX-listed companies and their institutional investors: Principles and Guidelines) were developed in partnership with Sandy Easterbrook and in consultation with representatives from ASX-listed companies, asset owners, asset managers and intermediaries, each with direct presence in this market. They also took into account input from a public consultation on the exposure draft. Launched mid-year, they aim to improve the efficacy of engagement between companies and their institutional investors by providing a ‘how-to’ guide on engagement. Engagement is already operating well in Australia — there has not been a call here for a stewardship code as in other jurisdictions — but it can be improved, and the consensus-based approach taken by the Principles and Guidelines has seen them widely acknowledged as assisting ongoing improvement in this vital area of corporate governance.

Shareholder primacy

In 2013, our Governance Advisory Panel, comprising leading industry experts, recommended that Governance Institute should explore with stakeholders the issue of shareholder primacy, to assess how the shareholder primacy rule should be positioned in the 21st century and if greater certainty needs to be introduced to the operation of the law in this regard.

We issued a discussion paper in 2014 for public consultation to provide a framework for discussion and stimulate debate. The discussion paper, Shareholder primacy: Is there a need for change?, examines the misalignment that is often experienced between societal expectation and the impact of corporate activity. The paper queries whether the explicit objectives of a company should be solely about shareholders; whether the current law constrains a broader view of the best interests of the company; whether a wider view in law is required; and whether greater certainty is required as to the operation of the law in regard to shareholder primacy.

Gaining clarity as to how to respond to these questions ultimately goes to decisions concerning our corporate regulatory framework. Governance Institute is of the view, therefore, that it is important to test the arguments. The responses to the paper will shape our contribution to public policy in regards to how stakeholder interests should be addressed.

Contributions to the policy debate

This is a sample of the policy and advocacy activities in 2014:

• We were a key participant in the development of the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
• We have advocated strongly for the retention of the Australian Charities and Not-for-Profits Commission.
• We were successful in persuading ASX to remove the requirement for the ‘chairman’s box’ on proxy forms, a reform for which we had been advocating for over a decade and had significant influence on the final form of various amendments to the Listing Rules.
• For over a decade, we led a campaign against the ‘100-member rule’ — the bill to repeal this rule has now been passed in the Senate.
• We drove a coalition submission opposing the abolition of CAMAC (Governance Institute, AICD, Chartered Accountants Australia & NZ and CPA Australia), as well as advocating over many months for the retention of this important advisory body. The bill to abolish CAMAC has now been referred to a Senate Committee for inquiry.
Leadership and influence

• We took a leadership role early in 2014 on superannuation governance, in noting that director accountability and member empowerment in the form of new measures to give superannuation fund members the all-important right to appoint or remove directors must be the centrepiece of any effective reform of fund governance, with director independence and board composition elements of a governance framework rather than the whole of it.

• We were concerned with the loss of consumer protection in the proposed amendments to the FoFA legislation, and pointed to the intersection of the proposed FoFA amendments and the Financial System Inquiry — we called for a Royal Commission into the financial advice industry.

• We responded to the Senate inquiry into the performance of the Australian Securities and Investments Commission (ASIC) and also to ASIC’s deregulatory initiatives.

• We continued to call for the regulation of litigation funders in response to the Productivity Commission’s inquiry into Access to Justice Arrangements.

• We utilised our significant research into the governance of state-owned corporations nationally when responding to a NSW consultation on this issue.

• We provided feedback on the draft ICGN Global Governance Principles.

All public policy submissions are available on our website.

To assist organisations in all sectors to foster a culture and values that ensure they are sustainable, we also:

• developed ten new Good Governance Guides or other guidance

• updated ten Good Governance Guides or other guidance

• published three best practice templates on key governance documents

• released a diagram on how to continuously maintain a risk register in the normal course of business, to make risk management ‘come alive’ for all staff in an organisation

• issued the Guide to the Public Sectors in Australia, for private sector professionals wishing to understand how governance in the public sector functions

• reissued Australia's pre-eminent journal on governance and risk management under the new banner of Governance Directions.
Employees

Staff gender balance and opportunity

Governance Institute’s employment philosophy is open and transparent. All positions are advertised publicly and internal employees are encouraged to apply. Being a small organisation, sometimes we recruit outside people, but if possible we promote internally. There is good gender diversity among staff at senior management levels and further into the organisation.

Gender balance on the Board reflects the gender balance of the total membership of Governance Institute, but not new members. As Governance Institute’s constitution dictates that new Board members must generally come from State Councils, there is a conscious effort to increase female participation on State Councils. At the start of 2014, one third of the chairs of State Councils were female.

As Governance Institute is a professional services organisation that develops and disseminates knowledge, its human capital is critical to its sustainability. The culture of the organisation is a balance between being an NFP organisation and member-focused while at the same time incorporating many of the features of a performance-oriented commercial business.

Workplace diversity by gender

Entire staff

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>75%</td>
<td>25%</td>
</tr>
<tr>
<td>2013</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td>2014</td>
<td>78%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Workplace diversity by age

<table>
<thead>
<tr>
<th>Year</th>
<th>&lt;30</th>
<th>30–39</th>
<th>40–49</th>
<th>&gt;50</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>13%</td>
<td>44%</td>
<td>25%</td>
<td>18%</td>
</tr>
<tr>
<td>2013</td>
<td>20%</td>
<td>33%</td>
<td>40%</td>
<td>12%</td>
</tr>
<tr>
<td>2014</td>
<td>12%</td>
<td>40%</td>
<td>22%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Board gender balance

Gender balance on the Board reflects the gender balance of the total membership of Governance Institute, but not new members. As Governance Institute’s constitution dictates that new Board members must generally come from State Councils, there is a conscious effort to increase female participation on State Councils. At the start of 2014, one third of the chairs of State Councils were female.

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>82%</td>
<td>18%</td>
</tr>
<tr>
<td>2013</td>
<td>75%</td>
<td>25%</td>
</tr>
<tr>
<td>2014</td>
<td>75%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Staff retention

Governance Institute has been fortunate to have relatively low staff turnover and this has contributed greatly to being able to progress projects, provide excellent customer service and continually improve what we do, however during 2014 this increased to 29%.

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>29%</td>
</tr>
</tbody>
</table>
Remuneration

Remuneration for all staff is comprised of a combination of guaranteed and performance-based remuneration where performance-based remuneration can range from approximately 5 per cent to 20 per cent of an individual’s total remuneration.

Externally sourced salary surveys of associations and of business in general are used each year to assess whether an employee’s remuneration is consistent with the market. Governance Institute generally remunerates staff in the top quartile for similar roles and reviews salaries on an annual basis.

Performance-based remuneration is clearly linked to the annual budget and milestones in the strategic plan for the Chief Executive and all direct reports to the Chief Executive. The Chief Executive and Board agree on a remuneration strategy for all staff with the Remuneration Committee reviewing the actual remuneration of the Chief Executive and direct reports to the Chief Executive.

Staff training

Governance Institute’s expenditure on staff training (as a percentage of personnel costs) has remained fairly constant over the last three years. During 2014 there was greater effort in encouraging all staff to undertake internal short course training in order to gain a greater understanding of governance issues in general.

During 2014 the Chief Executive managed a review of all the human resource policies, including staff training with a view to benchmarking against best practice for professional services organisations.
Profiles of Governance Institute members

Trish Farr FGIA
Executive Director/Company Secretary, Jindalee Resources Limited

Jindalee is a junior mineral exploration company with a successful track record, rewarding shareholders with priority entitlements in new ASX listings such as Energy Metals Ltd, Alchemy Resources Ltd and Anchor Resources Ltd.

Trish joined Jindalee when the company listed on the ASX in 2002 and she has been closely involved with its growth and development. Trish was appointed to the board in 2008 as Executive Director/Company Secretary and is responsible for implementing and maintaining the company’s governance and compliance framework.

Trish has over 16 years’ experience in the mining industry, previously working at the large mining house Resolute Mining. Trish’s experience includes roles as the company secretary of emerging uranium producer Energy Metals from its initial listing on the ASX in 2005 until 2010, following the proportional takeover by China General Nuclear Power Group and Fox Resources Limited from 2013 to 2014.

Trish has postgraduate qualifications in accounting.

Kerry McGoldrick FGIA
Senior Manager, Advisory, EY (Ernst & Young)

Kerry joined the advisory practice of EY in November 2013 to help private and public sector clients to improve the management of risk, enhance performance and achieve objectives.

Before joining EY, Kerry worked for Woolworths Limited for over ten years in a range of governance, risk and resilience-related roles. This included designing and implementing the group’s first enterprise risk management framework, as well as the first group-wide business resilience framework.

Prior to joining Woolworths, Kerry worked for the law firm Abbott Tout and undertook a lengthy secondment to the risk and insurance function of Qantas Airways Limited.

In December 2012, Kerry was elected to the board of a leading not-for-profit youth organisation as an independent non-executive director. He currently serves as deputy chair. He is also a member of Governance Institute’s NSW State Council and Corporate & Legal Issues Committee, and a participant in risk-related working groups of Standards Australia. He is also Chair of the Subject Advisory Committee for Risk & Compliance.

Kerry is also a regular commentator on governance, risk and resilience issues.

Liz Starr GIA(Cert)
Board Secretary and Manager of Board Operations, Central West Hospital and Health Service

Liz is responsible for managing the governance work of the board and its committees and also has oversight of enterprise risk management and compliance.

Liz has held a wide range of positions across four portfolio areas of the Queensland Government, most notably in Education Queensland, the Department of State Development and Trade, supporting Queensland’s Special Representative for South East Asia, Queensland Police, managing policy projects in the Office of the Commissioner and Director of Human Resources and currently in the health portfolio.

Liz began her career as a special education teacher and has also spent seven years in the property sector and 15 years as a casual research assistant in the fields of Australian public policy, politics, public administration and the work of UNESCO.

Liz holds a Master of Public Administration (Executive) from The University of Queensland, a Bachelor of Education from Griffith University and a Diploma of Teaching from the former Kelvin Grove College of Advanced Education (QUT) and is a Certificated member of Governance Institute.
Profiles of Governance Institute members

Sam Dwyer GIA(Cert)
Partner, HWL Ebsworth

Sam specialises in the areas of mergers and acquisitions, capital markets, corporate advisory and governance. He advises private and public clients in a variety of industries including retail and FMCG, agribusiness, food and beverage, energy and resources, telecommunications, building and construction and aged care. Sam’s experience and technical expertise enables him to provide advice to clients over a broad range of matters relevant to their day-to-day operations and projects. He is recognised as a recommended M&A practitioner in the Asia-Pacific region by The Legal 500.

Sam holds Bachelor of Law and Arts degrees from the University of Melbourne. He was admitted to practice as a barrister and solicitor in Victoria in March 2005. He joined HWL Ebsworth in 2009 and was appointed partner in 2013. Sam holds a Certificate in Governance Practice and Administration and a Graduate Diploma of Applied Corporate Governance, both through Governance Institute. In completing the Graduate Diploma, Sam was awarded Victorian dux for Corporate Governance in 2011 and national dux for Corporate Accounting in 2013.

Cathy Oster FGIA
General Counsel and Joint Company Secretary/Executive Vice President, Sustainability, Beach Energy Limited

Cathy joined Beach Energy Limited (Beach) in 2005 as Joint Company Secretary and Legal and Corporate Counsel and assumed the position of General Counsel in 2012. This year her role was expanded to include responsibility for risk management and sustainability at Beach. Beach is an ASX100 oil and gas exploration and production company headquartered in Adelaide, South Australia, with a core focus on the resource-rich Cooper Basin. In addition to providing secretarial services to the board of Beach, she advises on a range of governance issues across the organisation.

Prior to joining Beach, Cathy spent 15 years in private legal practice, advising on corporate and commercial transactions and supporting company secretarial functions for her clients.

Cathy holds a Bachelor of Arts (Juris), a Bachelor of Laws and a Masters of Laws (Corporate and Commercial). She serves on the SA and NT State Council of Governance Institute and is also a member of its Corporate & Legal Issues Committee. She also serves on the board of management of a not-for-profit aged care provider.

Kathryn Presser FGIA
Chief Financial Officer and Company Secretary/Executive Vice President, Corporate Services, Beach Energy Limited

Kathryn has broad company secretarial, capital management and risk management experience of publicly listed and private companies in a range of industries. Kathryn has over 17 years’ experience in a highly regulated ASX 100 listed oil and gas exploration and production company — Beach Energy Limited (Beach), which was formerly Beach Petroleum Limited.

Kathryn has a broad and deep understanding of mergers and acquisitions. She also has extensive governance experience gained through company director positions in the oil and gas industry and the not-for-profit sector.

Kathryn is a Fellow of CPA Australia, Institute of Chartered Secretaries and Administrators and the Australian Institute of Management.

She is also a member of the Legislation Review Committee of Governance Institute.
Governance Institute national executive

Tim Sheehy FGIA
Chief Executive

Tim has been Chief Executive since November 1999. He works with the Board to set Governance Institute’s major strategic objectives and leads the senior management team to achieve those objectives. He represents Governance Institute to government, regulators and international partners.

In the time since he has led Governance Institute, he has positioned it as the only independent professional association with a sole focus on the practice of governance.

His background prior to joining Governance Institute was in investment banking with Westpac and Swiss Bank Corporation, management consulting with McKinsey & Co Inc and as a member of the academic staff at the University of New England, Armidale NSW.

Peter Dongas
National Director, Operations

Peter joined Governance Institute in 2007 in the role of Regional Director, NSW & ACT. In January 2014 he moved into the coordinating role of National Director, Operations. In this position, he has responsibility for maximising the effectiveness, reach and profitability of Governance Institute’s operations and alliances, including delivery of national events.

He initiates and progresses strategic alliances with other professional associations, higher education providers and important commercial organisations, and manages an integrated sponsorship program that maximises state and national opportunities for the mutual benefit of members and partners.

His commercial background was with a leading legal publisher, a corporate training provider and a large not-for-profit member organisation.

Judith Fox FGIA
National Director, Policy & Publishing

Judith has been National Director, Policy & Publishing since 2005. She works with members to develop substantive policy statements on governance and risk management in the private, not-for-profit and public sectors and to advocate for sound regulatory frameworks in governance and corporate law.

Judith also develops thought leadership papers as well as a range of guidance on governance and risk management practice and generates information on these areas through research.

Judith has represented Governance Institute on the ASX Corporate Governance Council since 2005, and is also a member of Standards Australia’s Risk Management and Governance Committees, the Business Reporting Leaders Forum and ASIC’s Business Advisory Committee.

Judith also has responsibility for Governance Institute’s publishing arm.
Stan joined the staff of Governance Institute in August 2000 and has been a member of Governance Institute since 1991. He is experienced in company secretarial practice, corporate governance, financial management, computer systems, risk management implementation, general and business management in manufacturing, wholesale and retail industries.

Stan ensures Governance Institute and the Board meet legal and compliance requirements, the company and ICSA’s constituent documents, and identifies and manages or mitigates risks. He provides professional governance support to the company and the Board as well as financial and management accounting information systems for Governance Institute, providing accurate information to the Board, staff and relevant regulators.

Stan is also responsible for Governance Institute’s IT infrastructure and that the business’s needs are met.

Rachel commenced with Governance Institute in September 2014 to lead the organisation’s marketing and membership strategies.

She joined as the Institute is branching out to provide more educational and networking opportunities to governance and risk management professionals.

In 2014, Rachel was responsible for developing the postgraduate risk courses launch strategy and ensuring it was implemented.

Rachel’s focus is to increase awareness of Governance Institute’s brand and to promote its services by highlighting the benefits of studying our courses and the importance of becoming a member.

She is working hard to ensure that it remains relevant and valuable for practitioners in the governance and risk sectors throughout their careers.

Rachel’s goal is to position Governance Institute as the pre-eminent professional association for company secretaries, governance advisers, and risk managers, so it remains the key advocate for driving responsible performance.

Stephen joined Governance Institute as National Director Education and Training in April 2011. He seeks to enhance the reputation and standing of the three accredited postgraduate qualifications, ensuring that they comply with all regulatory requirements and meets international obligations. Two of these postgraduate qualifications will be new to market in 2015 and bring a professional and governance-oriented approach to risk management. Similarly he is seeking to augment the training programs by making them as relevant as possible and by strengthening their online delivery capability.

He also works to further entrench Governance Institute’s three Certificates as pathways to Certificated membership.

Prior to working for Governance Institute, Stephen worked for the Institute of Actuaries as director of education, was a global education manager for EMC (an international IT company), and was the head of training for the ABC.
State executive

Broadly this involves the development and management of the state strategic business plan and subsequent marketing activities to promote Governance Institute and its services. Specifically this includes marketing and coordinating delivery of a number of postgraduate courses, as pathways to membership. Additionally the development, marketing and delivery coordination of training, conferences plus other professional development and networking events to enhance the value of Governance Institute to members and increase Governance Institute’s profile among non-members.

Susan Bradbrook | State Director, SA & NT
Susan joined Governance Institute in 2002. Susan is Fellow of the National Institute of Accountants. She has previously held positions of accountant, state administration manager and in customer relations/marketing. Susan is on the board of CARA (Community Accommodation and Respite Agency) which is one of South Australia’s largest charities working in partnership with people living with a disability, their families and the community to create a better life.

Emma Churchill | State Director, QLD
Emma joined Governance Institute in 2006. Emma holds a Bachelor of Business Management and a Bachelor of Applied Science from the University of Queensland. Emma is also a Certificated member of Governance Institute. Prior to joining Governance Institute, Emma held a similar role with the Financial Planning Association. Her previous roles have been with Qantas Airways and St George Bank.

Leon Cox | Regional Director, VIC & TAS
Leon joined Governance Institute in 2014. Leon holds a Bachelor of Business, Human Resources and Hospitality Management from Victoria University. Leon also holds a Certificate IV in Workplace Training and Assessment from the University of Melbourne, Training Services Department. Prior to joining Governance Institute Leon was Advisor to the CEO at the Institute of Chartered Accountants Australia and was a relationship manager prior to that. His previous roles have been with CPA Australia and the RACV Club.

Leigh Grant | State Director, WA
Leigh joined Governance Institute in 2008. Leigh holds a Bachelor of Marketing and Public Relations and a Bachelor of Communications and Media. Prior to joining Governance Institute Leigh was with The University of Western Australia’s Office of Development in Alumni Relations and Special Projects. She also acted as executive officer for the Centenary Trust for Women.

Margot Smith | Regional Director, NSW & ACT
Margot joined Governance Institute in 2014. Margot holds a Bachelor of Arts (Education & Psychology) from Sydney University, a Graduate Diploma of Business Administration from UTS, has a Certificate IV in Workplace Training and Assessment and is also a Certificated member of Governance Institute. Margot previously held roles with Chartered Accountants and Finsia. Her previous corporate roles have been with Ausgrid, Optus Business, Scholastic and LexisNexis UK.

The regional and state directors are responsible for the efficient and effective management of all Governance Institute activities in their respective regions to assist in meeting Governance Institute’s mission of ‘providing the best education and support for practising chartered secretaries, governance advisers and risk managers to drive responsible performance in their organisations.’
Member milestones

President’s Award 2014
The President’s Award is presented to a member who, in the opinion of the Board, has made a substantial and sustained contribution to the work of Governance Institute.

Leah Fricker FGIA ................................. NSW

Life members 2014
The Board inducts Life members of Governance Institute to recognise their lasting impact on the direction or status of Governance Institute.

Professor Michael Adams FGIA(Life) ............... NSW
Laurie Factor FGIA(Life) ............................. WA

Members who have attained Fellowship
The Board congratulates members who were elected to or advanced to Fellowship during 2014.

Richard Ashton ................................. NSW
Duncan Bell ................................ WA
Stephen Bodeker ......................... WA
Joanna Clark ................................. NSW
Vicki Clarkson ............................... QLD
William Conlan ............................... VIC
Emma Cunningham ..................... VIC
Christopher Dancecy ................... NSW
Nicole Duncan ............................... VIC
Ian Frechting ............................... QLD
Damien Gare ................................. WA

Michael Gilmour ............................ QLD
Alison Groves ............................... VIC
Stephen Henderson ....................... VIC
Anthony Hewett .......................... WA
James Hodges ............................... WA
William Hopsick ......................... QLD
Venkata Jata ................................. NSW
Kevin Jones ................................. VIC
Nicole Killen ................................. NSW
Daniel Last ................................. VIC
Fiona Low ................................. VIC

Ben-Louis Ludik ............................ QLD
Karen Martyn ............................... VIC
Paula McGrath ............................... QLD
Peter McKiernan ......................... WA
Christopher Ovens ....................... QLD
Timothy Paine ............................. VIC
James Parke ................................. VIC
Megan Pepper ............................... VIC
Tristan Pham ................................. VIC
Patrick Rourke ............................. London
Michael Sedgman ......................... SA

Malcolm Shroff ....................... NSW
Christopher Skelton .................... QLD
Anthony Smith ............................. NSW
Siew Tea ................................. VIC
Anton Usher ................................. NSW
Peter Whelan ............................... QLD
Nigel White ................................. QLD
Andrew Wood ............................... VIC
Andrew Worland ......................... WA
Fiona Zafirakos ............................. VIC

Continuous membership
Governance Institute congratulates the following members who achieved milestones for continuous membership in 2014.

50 years
New South Wales
Michael Barnett AGIA
William Barton AGIA
Douglas Baxter AGIA
Vernon Chapman AGIA
John Clark AGIA
Frank Clarke AGIA
Ian Cox AGIA
Vincent Danilo FGIA
Edwin Dennis AGIA
John Hayes FGIA
Che Hon Che Hoy AGIA
George Host AGIA
David Humphreys AGIA
Rodney Johnson FGIA
Richard Lambert AGIA
Ernest McCartin FGIA
Allan McDonald FGIA
John McLaren AGIA
Maxwell Mitchell AGIA
Bruce Robertson AGIA
Walter Simpson FGIA

Melvin Southwell FGIA
Kevin Stanton AGIA
John Tompsett AGIA
Rodney Wilson FGIA
Warren Wilson AGIA
Richard Wilson AGIA
Richard Windsor FGIA
Eva Wong Mui Yee AGIA
Michael Young AGIA

Queensland
Ian Hammond FGIA
Robert Lavers AGIA
Maurice Weldon AGIA

South Australia
Kenneth Dingwall FGIA
Brian Powell FGIA
Maurice Travers AGIA

Victoria
Lindsay Alexander FGIA
Kenneth Appleton AGIA
Frank Armer FGIA
Ronald Bachmann FGIA

Lewis Badge AGIA
David Barker AGIA
Ernest Bennett FGIA
George Bowles FGIA
Bernard Carp FGIA
Cedric Carr AGIA
Peter Chester AGIA
Trevor Collins AGIA
Frederick Crook AGIA
Russell Daff AGIA
John Dodgshun AGIA
Ian Graham FGIA
Graeme Harvey AGIA
Leonard Harvey AGIA
Stanley Hester AGIA
Kerry Honey FGIA
Norman Iddies FGIA
Sheila Lanning AGIA
William McLean FGIA
Roger Moore FGIA
John Moule AGIA
Charles Norman AGIA
William Oliver AGIA
Noel Outhred FGIA

Keith Rodgers FGIA
Kenneth Russell FGIA
Charles Ryan AGIA
Leon Serry FGIA
Keith Smith AGIA
Ronald Stobaus AGIA
James Stock AGIA
Jack Vab Beelen AGIA
John White AGIA

Western Australia
Kenneth Blay AGIA
Ronald Casserley AGIA
Frederick Flynn AGIA
Margaret French AGIA
William Mason AGIA
Meyer Mendelawitz AGIA
William Milne FGIA
Andrew Powell FGIA
Roger Pratt AGIA
Clement Pratt AGIA
Robin Silsbury FGIA

Overseas
Randal Godden FGIA
At year’s end, members and subscribers totalled 7,688, covering the following disciplines:

### Diversity of professional responsibilities of members

- Governance, risk management and compliance
- Accounting/finance and auditing
- Legal responsibility
- Workplace relations
- Corporations law (including ASX Listing Rules)
- Insurance and superannuation
- Taxation
- Intellectual property
- IT
- Property

### Members by state

- NSW/ACT
- VIC
- QLD
- WA
- SANT
- Overseas
- TAS

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**Australian Capital Territory**
- Simon Patterson AGIA
- Christopher Schmidt AGIA
- Russell Scott FGIA
- Bernie Seth AGIA
- Ronald Taylor FGIA
- Milan Telford FGIA
- Douglas Thorne AGIA
- Vernon Wettasinghe AGIA
- Paul Wright AGIA
- Betty Wu Man-Wah AGIA

**New South Wales**
- Peter Anderson AGIA
- Michael Briggs AGIA
- Jason Bryan AGIA
- Douglas Cannen FGIA
- Norman Davis FGIA
- Ian Fenwicke AGIA
- Peter Fitzpatrick AGIA
- James Flaye AGIA
- Raymond Fung AGIA
- Duncan Glasgow FGIA
- Debra Ho AGIA
- John Horsfield FGIA
- Robert Howell AGIA
- Robert Jansen FGIA
- Brent Jeffery AGIA
- Murray Jones AGIA
- Ewe Lim FGIA
- Ian MacCulloch FGIA
- Steven McKay AGIA
- David McMahon AGIA
- Peter McPherson AGIA
- Christine Morgan AGIA
- Anne Munro AGIA
- Michael Newton AGIA
- Simon Patterson AGIA
- Christopher Schmidt AGIA
- Russell Scott FGIA
- Bernie Seth AGIA
- Ronald Taylor FGIA
- Milan Telford FGIA
- Douglas Thorne AGIA
- Vernon Wettasinghe AGIA
- Paul Wright AGIA
- Betty Wu Man-Wah AGIA

**Northern Territory**
- Kym Yeoward AGIA

**Queensland**
- Mario Andrado FGIA
- Peter Caswell FGIA
- Ian Currie AGIA
- Mitchell Durack AGIA
- Derek Enslin AGIA
- Scott Franklin AGIA
- Vivian Grayson AGIA
- Melody Jarvis AGIA
- David Laddy AGIA
- Raphael Mar Fan AGIA
- John Negline AGIA
- Neva Rose Storie FGIA
- Kevin Sinclair AGIA
- Vanessa Wells AGIA

**South Australia**
- Robert Adam AGIA
- Cosimo De Cian FGIA
- Gilbert Kolenberg FGIA
- Patrick Mace AGIA

**Victoria**
- Rodney Adams AGIA
- Raymond Ang AGIA
- Russell Barnier FGIA
- Joseph Bounader FGIA
- Bruce Burdon-Smith AGIA
- Wayne Dawes AGIA
- David Doyle FGIA
- Kim Joyce AGIA
- Richard Kneebone FGIA
- Ian Lardner AGIA
- Susan Lee AGIA
- John Rennie FGIALife
- Brian Smart AGIA
- Michael Stark FGIA
- Michael Stockdale FGIA
- Michael Tait AGIA
- Johann Zimsen AGIA

**Western Australia**
- Kelvin Aw-Yang AGIA
- Anthony Baker AGIA
- Christian Bantleman AGIA
- Shane Busing FGIA
- Alan Byrne FGIA
- Hubert Lennerts FGIA
- Philip McMillan FGIA
- Elizabeth Mettam AGIA
- Michael Parfitt AGIA
- Graham Pattrick FGIA
- Robert Pickard AGIA
- Malcolm Smart FGIA
- Frank Soldo AGIA
- Peter Thompson FGIA
- St Clair Von Bergheim AGIA

**Overseas**
- Graham Talbot AGIA
- Irene Ko Wing May AGIA
- Raymond Lee Chi Wah AGIA
- Anthony Rogers AGIA
- Stuart Monley AGIA
- Graham Hedley AGIA
- Keki Pagdiwala AGIA
Member milestones
Directors’ report

Your Directors present this report on the company for the financial year ended 31 December 2014.

Principal activities, objectives and strategies

The principal activities of Governance Institute of Australia Ltd (Governance Institute) (formerly known up until 24 September 2013 as Chartered Secretaries Australia Ltd) during the year were to be the expert leader in the promotion and application of the practice of governance to drive responsible performance for the benefit of organisations and the wider community.

There was no significant change in the nature of the activities during the year and the operations are in accordance with the constitution. The company’s financial report has been prepared in accordance with the Corporations Act 2001, Corporate Regulations 2001 and Australian Accounting Standards.

In order to meet its abovementioned long-term objectives, the company will strive to see that:

• Australia’s governance frameworks lead the world in facilitating a strong economy underpinned by responsible performance
• current members and aspiring chartered secretaries, governance advisers and risk managers are provided with the best education, resource support and career support to enhance their professional standing
• the organisation is strategically focused on being innovative, encouraging positive engagement with all stakeholders and fostering a culture and values that ensures it is sustainable.

The company’s short-term objective will be to focus on it’s core target markets for the next 12 to 18 months and sustain member retention at 97 per cent or better.

In order to meet its short-term objectives, the company will continue to:

• emphasise member retention and satisfaction as a first priority
• broaden the pathways to membership at the open-entry and postgraduate level
• place greater emphasis on increasing the number of Certificated members and members with a risk background.

Financial results

An operating deficit from ordinary activities of $324,407 was made for the year after providing for income tax which the company is exempt from as it is endorsed as a charity.

Accumulated Members’ Funds at year-end totalled $3,878,737.

Dividends

Being limited by guarantee, Governance Institute does not pay dividends.

Review and result of operations

Company performance is assessed by the Board of Directors at their six scheduled Board meetings held during the year. Forecast reviews are presented and discussed as to the progress between budget and actual results achieved. The Risk, Audit and Finance Committee also reviews the budget and the results of operations prior to recommendations made to the Board of Directors for their consideration.
Revenue for the year primarily came from member and subscriber fees $2,699,304; Graduate Diploma fees $2,657,275; short courses, Certificates and publications $3,035,656; sponsorship $371,058; investment income $88,255; and other income for services $78,915.

Expenditure for the year was primarily on direct costs for short courses, Certificates and publications $1,119,490; direct costs for education courses $765,519; profile-raising activities and website maintenance $497,378; international activities $204,379; payroll $4,719,122 and governance and administration $1,949,064.

**Likely developments**

Likely developments in the operations of Governance Institute and the expected results of those operations in future financial years have not been included in this report but are disclosed in the Chair and CEO’s report at pages 2–3 and the integrated report from pages 4–17.

**Environmental regulations**

Governance Institute’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

**Events subsequent to balance date**

There are no matters or circumstances that have arisen since the end of the financial year which would significantly affect the operations of the entity in subsequent financial years.

Continuing members of the Board of Governance Institute are Warren Baillie FGIA, Alan Evans FGIA, Andrew Horne FGIA, John Mazengarb FGIA, Trisha Mok FGIA, Rachel Rees FGIA, Simon Pordage FGIA, Bill te Kloot FGIA, Peter Turnbull FGIA, John Williamson FGIA and Wendy Wills FGIA.

**Auditor’s indemnification**

Governance Institute has not, during or since the end of the financial year, in respect of any person who is or has been an auditor of Governance Institute or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an auditor, including costs and expenses in successfully defending legal proceedings, or paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an auditor for the costs or expenses to defend legal proceedings.

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Directors

Warren Ballie  LLB, BCom, GradDipCSP, FGIA, FCIS, MAICD (appointed 12.1.11) — Experienced in company secretarial practice and corporate governance, and corporate and commercial law. Currently Company Secretary of Woodside Energy Ltd.

Alan Evans  BBus (Hons), FGIA, FCIS, MAICD (appointed 4.6.09) — General Manager Corporate Governance and Corporation Secretary for Hydro Tasmania for the last ten years. A corporate governance and secretarial practice and law professional, he has over 30 years of practical international experience at executive level and as an executive and non-executive director on boards of Australian, USA and European companies. Alan has lectured in corporate governance, secretarial practice and law. He is a member and past Chair of the Tasmanian Council and 2014 National President and Chair of Governance Institute.


Andrew Horne  BLegS, GradDipCSP, FGIA, FCIS, MAICD (appointed 21.1.10) — Experienced in company secretarial practice, corporate law, risk management, real property and compliance. Corporate Governance and Legal Consultant. Previously Group Company Secretary of ASX100 GrainCorp Limited until June 2014 and General Counsel and Group Company Secretary of ASX listed Thakral Holdings Limited. Past course director for the Corporate Accountability: Meetings and Disclosure module of the Governance Institute’s Graduate Diploma of Applied Corporate Governance. Member since February 2007 and past Chair of the NSW Council.

John Mazengarb  BCom, FGIA, FCIS, FCA, MAICD (appointed 8.1.14) — Extensive management consultancy career with PricewaterhouseCoopers and IBM and senior executive contract positions for Tasmanian Government businesses leading major transformation programs. Currently Principal, State Manager Tasmania of Litmus Group, Chair of Tasmanian Catholic Education Industry LSL Fund, Trustee Director of Retirement Benefits Fund, independent member of TasBuild Ltd Investment Committee and independent Chair of Clarence City Council Audit Committee. Member of Tasmanian State Council since 2009 and current Chair of the Tasmanian Council since 2013.

Trisha Mok  BCom, LLB (Hons), GradDipACG, FGIA, FCIS (appointed 4.6.09) — A governance professional experienced in company secretarial practice, corporate governance, corporate law, compliance and intellectual property law in the information technology and digital media sectors. Formerly Director of Legal and Corporate Affairs (Asia Pacific) at Spendvision Pty Limited. Chair of Governance Institute’s Remuneration Committee for 2014. 2015 National President and Chair Governance Institute of Australia Ltd.

Simon Pordage  LLB (Hons), FGIA, FCIS, MAICD (appointed 16.2.12) — Experienced in company secretarial, corporate governance, corporate law, risk management and compliance matters. Company Secretary of Australian Foundation Investment Company Limited and three other listed investment companies since 2009. Formerly Deputy Company Secretary of Australia & New Zealand Banking Group Limited. Governance Institute’s Vice President from 2014, Chair of Legislation Review Committee since 2011, Chair of Remuneration Committee for 2015 and Deputy Chair of Victorian Council since 2011. Author/co-author of a number of Governance Institute’s publications.

Rachel Rees  BBus, GradDipACG, FGIA, FCIS, MAICD, FTIA, FCA (appointed 8.2.13) — Senior executive and Chartered Accountant with extensive commercial, strategic and risk management, corporate governance, company secretarial and financial experience across a vast range of industries from smaller organisations (Australian and international) and multinationals to listed corporations (ASX and TSX). Currently Chief Financial Officer and Company Secretary of Empire Oil & Gas NL and previous roles include Chief Financial Officer Rex Minerals Ltd, Group Company Secretary of Hills Holdings Ltd and Vice President — Corporate Affairs Uranium One Australia. Member and immediate past Chair, SA/NT State Council.

Bill te Kloot  MA, BCom, FGIA, FCIS, FAICD, Cdec (appointed 4.6.09) — A governance professional experienced in company secretarial practice, corporate governance, and risk management, and a director of several private companies. Formerly Company Secretary of Vita Group Limited. Australian Division President and Chair of the Board of Governance Institute 2012. Director of Governance Institute subsidiary companies.

Peter Turnbull  BCom, LLB, FGIA, FCIS, FACD (appointed 1.1.09) — A governance professional experienced in company secretarial practice, corporate governance, corporate law, and senior executive management. Formerly company secretary/general counsel of large listed public and private companies including BTR Nylex, Newcrest Mining and Energex. Currently the chair or a non-executive director of a number of ASX 200, unlisted public and private companies. Australian Division President in 2010 and a member of the Executive Committee of ICSA (2014).

John Williamson  BA, LLB, FGIA, FCIS, FAusIMM, MAICD (appointed 15.2.12) — Broad experience in several industry sectors spanning some 35 years and covering senior management, commercial, advisory and, initially, legal roles. John has also had substantial governance and company secretary experience from both a corporate and consulting perspective. He is currently an executive director of, and consultant with, WEPL Management Consultants and is also a non-executive director with Boystown.
Wendy Wills BEc, MBA, FGIA, FCIS, FAICD, FCPA (appointed 4.6.09) —
A qualified accountant and senior manager with experience in governance, financial management, risk and compliance in the not-for-profit and education sectors. Currently Business Director at Pembroke School, South Australia, with previous experience in multimedia, government, finance and consulting. Australian Division President and Chair of the Board of Governance Institute 2013. Director of Governance Institute subsidiary companies.

Directors’ interests and benefits
Governance Institute being limited by guarantee, none of the Directors holds an interest but each, as a member of Governance Institute, is liable to the extent of their undertaking under Governance Institute’s constitution.

During or since the end of the financial year, Governance Institute has paid premiums to insure the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of Governance Institute other than conduct involving a wilful breach of duty in relation to Governance Institute. Premiums were paid for each of the Directors listed on pages 28–29. The insurance contract entered into by Governance Institute prohibits disclosure of the nature of the liabilities insured by the insurance contract and the amount of the premiums.

Governance Institute’s constitution allows for the inclusion of indemnities in favour of persons who are or have been a Director or officer of Governance Institute. To the extent permitted by law, Governance Institute indemnifies every person who is or has been a Director or officer against any liability to any person incurred while acting in that capacity in good faith, and against costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters and operates to the extent that the loss or liability is not covered by a valid and current insurance policy. As no new Directors or senior officers were appointed during the year, the company did not execute any deeds of indemnity, insurance and access agreements.

Payments to the Directors and to entities from which the Directors may benefit for services by the Directors or entities are disclosed in Notes 6 and 16 to the Financial Statements on pages 38 and 41.

No other Directors of Governance Institute, during or since the end of the financial year, received or have become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial report or the fixed salary of a full-time employee of Governance Institute or of a related body corporate) by reason of a contract made by Governance Institute or of a related body corporate with one of the Directors or with a firm of which they are a member or with a company in which they have a substantial financial interest.

Proceedings on behalf of the company
No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Attendance at Directors’ meetings
During 2014 attendance by individual Directors (including when represented by alternates) at meetings they were entitled to attend, was as set out in the table below.

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>Risk, Audit &amp; Finance Committee</th>
<th>Remuneration Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warren Baillie</td>
<td>5 of 6</td>
<td>4 of 5</td>
</tr>
<tr>
<td>Alan Evans</td>
<td>6 of 6</td>
<td>5 of 5</td>
</tr>
<tr>
<td>Douglas Gration</td>
<td>6 of 6</td>
<td>–</td>
</tr>
<tr>
<td>Andrew Horne</td>
<td>6 of 6</td>
<td>4 of 5</td>
</tr>
<tr>
<td>John Mazengarb</td>
<td>4 of 6</td>
<td>–</td>
</tr>
<tr>
<td>Trisha Mok</td>
<td>6 of 6</td>
<td>–</td>
</tr>
<tr>
<td>Simon Pordage</td>
<td>6 of 6</td>
<td>–</td>
</tr>
<tr>
<td>Rachel Rees</td>
<td>6 of 6</td>
<td>4 of 5</td>
</tr>
<tr>
<td>Bill te Kloot</td>
<td>6 of 6</td>
<td>5 of 5</td>
</tr>
<tr>
<td>Peter Turnbull</td>
<td>6 of 6</td>
<td>–</td>
</tr>
<tr>
<td>John Williamson</td>
<td>5 of 5</td>
<td>4 of 5</td>
</tr>
<tr>
<td>Wendy Wills</td>
<td>6 of 6</td>
<td>5 of 5</td>
</tr>
</tbody>
</table>
Liability of members on winding up

The liability of members (or within one year after ceasing to be a member) on winding up is limited to an amount not exceeding $100.

Diversity of employees

In terms of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations reporting requirements, the respective proportion of men and women employees in the whole organisation, in senior executive positions and on the Board are as follows:

<table>
<thead>
<tr>
<th></th>
<th>In whole of organisation</th>
<th>In senior executive positions</th>
<th>On the board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>22%</td>
<td>45%</td>
<td>75%</td>
</tr>
<tr>
<td>Women</td>
<td>78%</td>
<td>55%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Corporate Governance Statement


Company details

The registered office and principal place of business of the company is:
Level 10, 5 Hunter Street
Sydney NSW 2000 Australia.
ABN 49 008 615 950

Company Secretary

Stan Jodelkin BCom, Dip Bus Mgt (Hons), Grad Dip Accounting, FGIA, FCIS, FCPA, FIPA, AFAIM — Chartered Secretary, experienced in company secretarial practice, corporate governance, financial management, computer systems, risk management implementation, office and business management in manufacturing, wholesale and retail industries. Appointed Company Secretary of Governance Institute on 7 October 2000. He is also Australian Secretary of the Australian Division of the Institute of Chartered Secretaries & Administrators.

Auditor’s independence declaration

The Auditor’s independence declaration is set out on page 45 and forms part of the Directors’ report for the financial year ended 31 December 2014.

Directors’ signatures

On behalf of the Board by resolution of the Directors, as signed above.

SYDNEY, 7 March 2015
### Statement of comprehensive income for the year ended 31 December 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>Note</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2</td>
<td>8,930,463</td>
<td>8,825,061</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>3</td>
<td>(393,718)</td>
<td>(378,629)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>3</td>
<td>(8,856,987)</td>
<td>(9,101,792)</td>
</tr>
<tr>
<td>ICSA structural reform</td>
<td>3</td>
<td>(4,246)</td>
<td>(1,057)</td>
</tr>
<tr>
<td>Deficit before income tax expense</td>
<td></td>
<td>(324,488)</td>
<td>(666,418)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>1(e)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deficit after income tax</td>
<td></td>
<td>(324,488)</td>
<td>(666,417)</td>
</tr>
<tr>
<td>Net gain on disposal of asset</td>
<td>3</td>
<td>81</td>
<td>-</td>
</tr>
<tr>
<td>Deficit attributable to members</td>
<td></td>
<td>(324,407)</td>
<td>(666,417)</td>
</tr>
<tr>
<td>Other comprehensive income for the year</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive deficit for the year</td>
<td></td>
<td>(324,407)</td>
<td>(666,417)</td>
</tr>
</tbody>
</table>

### Statement of financial position as at 31 December 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>Note</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7</td>
<td>2,976,493</td>
<td>3,069,526</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>8</td>
<td>95,100</td>
<td>130,410</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>285,107</td>
<td>288,402</td>
</tr>
<tr>
<td>Total current assets</td>
<td></td>
<td>3,356,700</td>
<td>3,488,338</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>10</td>
<td>3,439,550</td>
<td>3,520,866</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>11</td>
<td>351,139</td>
<td>499,981</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td></td>
<td>3,790,689</td>
<td>4,020,847</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>7,147,389</td>
<td>7,509,185</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>12</td>
<td>591,805</td>
<td>767,632</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>13</td>
<td>1,872,359</td>
<td>1,858,154</td>
</tr>
<tr>
<td>Provisions</td>
<td>14(a)</td>
<td>693,239</td>
<td>560,162</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td></td>
<td>3,157,403</td>
<td>3,185,948</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>14(b)</td>
<td>111,249</td>
<td>120,093</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td></td>
<td>111,249</td>
<td>120,093</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td>3,268,652</td>
<td>3,306,041</td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td>3,878,737</td>
<td>4,203,144</td>
</tr>
<tr>
<td>Members' funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>4</td>
<td>763,033</td>
<td>763,033</td>
</tr>
<tr>
<td>Retained surplus</td>
<td>5</td>
<td>3,115,704</td>
<td>3,440,111</td>
</tr>
<tr>
<td>Total members' funds</td>
<td></td>
<td>3,878,737</td>
<td>4,203,144</td>
</tr>
</tbody>
</table>
### Statement of changes in members’ funds for the year ended 31 December 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening balance</strong></td>
<td>4,203,144</td>
<td>4,869,561</td>
</tr>
<tr>
<td><strong>Transfer net gain on disposal of asset</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>81</td>
<td>-</td>
</tr>
<tr>
<td><strong>Surplus recognised directly in members’ funds</strong></td>
<td>81</td>
<td>-</td>
</tr>
<tr>
<td><strong>Deficit from ordinary activities</strong></td>
<td>(324,488)</td>
<td>(666,417)</td>
</tr>
<tr>
<td><strong>Total recognised deficit and expenses for the year attributable to the members</strong></td>
<td>(324,407)</td>
<td>(666,417)</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>3,878,737</td>
<td>4,203,144</td>
</tr>
</tbody>
</table>

### Statement of cash flows for the year ended 31 December 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscriptions received</td>
<td>2,936,063</td>
<td>2,784,591</td>
</tr>
<tr>
<td>Receipts from courses and other activities</td>
<td>6,330,686</td>
<td>6,363,987</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(9,332,911)</td>
<td>(9,257,970)</td>
</tr>
<tr>
<td>Interest received</td>
<td>88,255</td>
<td>108,298</td>
</tr>
<tr>
<td>GST paid</td>
<td>48,434</td>
<td>(6,467)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>70,527</td>
<td>(7,561)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for property, plant and equipment</td>
<td>(163,560)</td>
<td>(244,232)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(163,560)</td>
<td>(244,233)</td>
</tr>
<tr>
<td><strong>Net decrease in cash held</strong></td>
<td>(93,033)</td>
<td>(251,793)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>3,069,526</td>
<td>3,321,319</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>2,976,493</td>
<td>3,069,526</td>
</tr>
</tbody>
</table>
Notes to the financial statements for the year ended 31 December 2014

1. Statement of significant accounting policies

This financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements are presented in Australian dollars, which is the company’s functional currency and domicile.

Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS) applicable for not-for-profit entities. A statement of compliance with International Financial Reporting Standards cannot be made due to Governance Institute of Australia Ltd applying the not-for-profit sector specific requirements contained in AIFRS.

The financial statements were authorised for issue by the Board of Directors on 7 March 2015.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Company structure

Governance Institute of Australia Ltd (formerly known up until 24 September 2013 as Chartered Secretaries Australia Ltd) is an incorporated company limited by guarantee. In the event of Governance Institute of Australia Ltd being wound up, the liability of each member, or each former member who ceased to be a member within a year of Governance Institute of Australia Ltd being wound up, is limited to an amount not exceeding $100.

As Governance Institute of Australia Ltd is limited by guarantee, there is no reference in the statement of financial position to share capital or shareholders’ equity.

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in surplus or deficit.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Land is not depreciated.

The depreciation rates used for each class of depreciable asset are:

<table>
<thead>
<tr>
<th>Class of fixed asset</th>
<th>Depreciation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building — strata entitlement</td>
<td>1.33%</td>
</tr>
<tr>
<td>Strata and leasehold improvements</td>
<td>20.00%</td>
</tr>
<tr>
<td>Computer systems, furniture and office equipment</td>
<td>10% – 33.33%</td>
</tr>
</tbody>
</table>

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(c) Intangible assets

(i) Website development costs

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised...
borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortisation
Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current years are as follows:

| Capitalised website development costs | 5 years |

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(d) Leases
Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(e) Income tax
Governance Institute of Australia Ltd is for income tax purposes endorsed as a charitable institution. Its income is therefore exempt from Income Tax under Subdivision 50-B of the Income Tax Assessment Act 1997.

(f) Goods and services tax
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST). Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position. Cash flows in the Statement of Cash Flows are included on a gross basis. The GST component of cash flows arising from investing and financing activities that are recoverable from, or payable to, the Australian Taxation Office is classified as operating cash flows.

(g) Payroll tax
During 2009, the Company became exempt from the payment of payroll tax in NSW under the provisions of Schedule 2 Division 4 Clause 12(1)(c) of the Payroll Tax Act 2007 (NSW).

(h) Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments.

(i) Employee benefits
Provision is made for the company’s liability for employee benefits arising from services rendered by employees to balance date.

Employee benefits expected to be settled within one year of the balance date have been measured at the amounts expected to be paid when the liabilities are settled. Employee benefits expected to be settled more than one year from the balance date have been measured at the present value of future payments expected to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departure and periods of service. Expected future payments are discounted to their net present value using an estimate of market yields at the balance date on professional markets investments.

(j) Revenue recognition
Revenue represents income earned from membership subscriptions and the provision of related services. Membership subscription revenue is recognised as and when received in relation to the current period. Revenue from the provision of other services is recognised upon the delivery of the service to members/customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of GST.

(k) Financial instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified ‘at fair value through surplus or deficit’ in which case transaction costs are expensed to surplus or deficit immediately.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the statement of comprehensive income.

Classification and subsequent measurement
Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost.

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except those which are not expected to mature within 12 months after reporting date, which will be classified as non-current assets.
Loans and receivables comprise cash and cash equivalents and trade and other receivables.

(ii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company’s intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date, which will be classified as current assets.

(iii) Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method. Other financial liabilities comprise trade and other payables.

Impairment
At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

(I) Impairment of assets
At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of the individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(m) Provisions
Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at reporting date.

(n) Trusts
The Institute Trust and The Institute No 2 Trust were established in 1993 to accept gifts and bequests from members and others.

Estate Late Leonard Chant:
In terms of the will of Leonard Chant, following the death of the last life tenant, a one-fifth share of the estate had been left to Governance Institute of Australia Ltd to set up a trust to pay scholarships tenable overseas for advancement of training in secretarial and administrative knowledge to immediate postgraduate candidates of the Institute’s examination.

The terms of the original will were found to be impracticable and following approval of a cy pres scheme in the Supreme Court of New South Wales, on the 28 October 2011 before Bryson AJ, the purposes of the Trust were confirmed to be that:

The Trustee (Governance Institute of Australia Ltd) holds, uses and applies the trust property to pay scholarships for entry:

(a) into the Trustee’s postgraduate courses dealing with applied corporate, public sector and/or not-for-profit sector governance, and

(b) into any other postgraduate course dealing with applied corporate, public sector and/or not-for-profit sector governance whether in Australia or overseas.

The scholarships are available to any persons with tertiary qualifications including, but not limited to, graduates from any courses which contain a corporate governance, company administration or public sector management component, whether that course has been conducted by the Trustee or any other government accredited Australian tertiary education institution.

The scholarships would be tenable at the Trustee, government accredited overseas institutions or any other government accredited Australian tertiary education institutions offering such courses, that the Trustee considers to be appropriate.

The financial statements of trust funds are not consolidated with those of Governance Institute of Australia Ltd because the company does not have direct control over them, but are shown in Note 19.

(o) Comparative figures
Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current year.

(p) Critical accounting estimates and judgments
The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(q) Foreign currency transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Exchange differences arising on the transaction of monetary items are recognised in the statement of comprehensive income.

(r) Trade and other payables
Trade and other payables represent the liability outstanding at reporting date for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Deferred revenue represents revenue received in advance which is not entitled to be recognised in the current period.
(s) New accounting standards for application in future periods

A number of Australian Accounting Standards have been issued or amended which are not yet effective and have not been adopted in preparation of the financial statements at the reporting date. They are not expected to affect the company in future years.

(t) Subsidiary companies

During prior years Governance Institute of Australia Ltd registered three subsidiary companies with ASIC to reserve appropriate names for future activities. The companies are dormant and have not commenced trading.

In accordance with AASB 127 (Aus1.3), the Directors have determined that the three subsidiary companies are immaterial, both individually and in aggregate, to the financial position, performance and cash flows of the Group and consolidated financial statements have not been prepared.

The Directors of the subsidiary companies are noted as per the Directors’ report on pages 28–29.

### 2. Revenue

<table>
<thead>
<tr>
<th>Operating activities</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member and subscriber fees</td>
<td>2,699,304</td>
<td>2,589,866</td>
</tr>
<tr>
<td>Graduate Diploma</td>
<td>2,657,275</td>
<td>2,526,878</td>
</tr>
<tr>
<td>Short courses and Certificate courses</td>
<td>3,009,638</td>
<td>3,024,166</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>371,058</td>
<td>454,624</td>
</tr>
<tr>
<td>Interest</td>
<td>88,255</td>
<td>108,298</td>
</tr>
<tr>
<td>Other income</td>
<td>78,915</td>
<td>80,001</td>
</tr>
<tr>
<td>Publications, journal and merchandise</td>
<td>26,018</td>
<td>41,228</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>8,930,463</strong></td>
<td><strong>8,825,061</strong></td>
</tr>
</tbody>
</table>
3. Surplus from ordinary activities

Surplus from ordinary activities is stated before income tax expense has been determined, after charging:

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortisation of non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>16,865</td>
<td>16,864</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>154,860</td>
<td>123,574</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>73,151</td>
<td>89,349</td>
</tr>
<tr>
<td>Website</td>
<td>148,842</td>
<td>148,842</td>
</tr>
<tr>
<td><strong>Total depreciation and amortisation of non-current assets</strong></td>
<td><strong>393,718</strong></td>
<td><strong>378,629</strong></td>
</tr>
<tr>
<td>Personnel</td>
<td>4,350,130</td>
<td>4,033,681</td>
</tr>
<tr>
<td>Superannuation contributions</td>
<td>368,992</td>
<td>337,596</td>
</tr>
<tr>
<td>ICSA, UK — capitation fee</td>
<td>91,172</td>
<td>82,789</td>
</tr>
<tr>
<td>Rental expenses on operating leases</td>
<td>428,487</td>
<td>371,390</td>
</tr>
<tr>
<td>Occupancy and state facilities</td>
<td>170,991</td>
<td>177,307</td>
</tr>
<tr>
<td>Auditor’s remuneration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit</td>
<td>25,000</td>
<td>25,100</td>
</tr>
<tr>
<td>Other services</td>
<td>1,451</td>
<td>1,350</td>
</tr>
<tr>
<td>Rebranding expenses</td>
<td>10,175</td>
<td>605,501</td>
</tr>
<tr>
<td>Other expenses from ordinary activities</td>
<td>3,410,589</td>
<td>3,467,078</td>
</tr>
<tr>
<td><strong>Total other expenses</strong></td>
<td><strong>8,856,987</strong></td>
<td><strong>9,101,792</strong></td>
</tr>
</tbody>
</table>

**ICSA structural reform costs** incurred during the year consist of legal, meetings, constitutional and proxy solicitation fees spent on the ICSA/Governance Institute of Australia Ltd’s governance matters.

**Expenses from non-operating activities**

| Net gain on disposal of assets                | 81    | -     |

4. Reserves

**Capital surplus reserve**

| 745,933 | 745,933 |

**Works of art revaluation reserve**

| 17,100 | 17,100 |

| **763,033** | **763,033** |

5. Retained surplus

**Retained surplus at beginning of the year**

| 3,440,111 | 4,106,528 |

**Deficit for the year**

| (324,407) | (666,417) |

**Retained surplus at the end of the year**

| 3,115,704 | 3,440,111 |
6. Key management personnel compensation

Directors, other than those listed below, do not receive any income from the entity for their services as Directors.

For presentations at Graduate Diploma courses, short courses and Certificates, exam moderation and author fees.

<table>
<thead>
<tr>
<th>Name</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas Gration</td>
<td>250</td>
<td>1,500</td>
</tr>
<tr>
<td>Andrew Horne</td>
<td>600</td>
<td>-</td>
</tr>
<tr>
<td>Simon Pordage</td>
<td>1,500</td>
<td>1,650</td>
</tr>
<tr>
<td>Bill te Kloot</td>
<td>1,350</td>
<td>900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,700</strong></td>
<td><strong>4,050</strong></td>
</tr>
</tbody>
</table>

Other key management personnel

Consists of the CEO and the National Management team of senior executives comprising National and State Directors.

<table>
<thead>
<tr>
<th></th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary and bonuses</td>
<td>1,697,951</td>
<td>1,658,140</td>
</tr>
<tr>
<td>Superannuation contribution</td>
<td>210,290</td>
<td>184,531</td>
</tr>
<tr>
<td>Long service leave provision</td>
<td>353,978</td>
<td>374,846</td>
</tr>
<tr>
<td><strong>Total compensation</strong></td>
<td><strong>2,262,219</strong></td>
<td><strong>2,217,516</strong></td>
</tr>
</tbody>
</table>

7. Cash and cash equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>800</td>
<td>800</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>286,137</td>
<td>287,686</td>
</tr>
<tr>
<td>Cash on deposit</td>
<td>2,689,556</td>
<td>2,781,040</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents</strong></td>
<td><strong>2,976,493</strong></td>
<td><strong>3,069,526</strong></td>
</tr>
</tbody>
</table>

8. Trade and other receivables

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>95,100</td>
<td>130,410</td>
</tr>
<tr>
<td><strong>Total trade and other receivables</strong></td>
<td><strong>95,100</strong></td>
<td><strong>130,410</strong></td>
</tr>
</tbody>
</table>

There is no impairment or significant credit risk with any debtor balance.

9. Other assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>285,107</td>
<td>288,402</td>
</tr>
</tbody>
</table>
10. Property, plant and equipment

Non-current

<table>
<thead>
<tr>
<th>Item</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strata entitlement — at cost — Hunter Street, Sydney</td>
<td>3,100,000</td>
<td>3,100,000</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>571,071</td>
<td>703,881</td>
</tr>
<tr>
<td>Less: accumulated depreciation and amortisation</td>
<td>(624,233)</td>
<td>(667,028)</td>
</tr>
<tr>
<td></td>
<td><strong>3,046,837</strong></td>
<td><strong>3,136,853</strong></td>
</tr>
<tr>
<td>Computer system, furniture and office equipment at cost</td>
<td>1,682,445</td>
<td>1,844,432</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(1,313,197)</td>
<td>(1,485,246)</td>
</tr>
<tr>
<td></td>
<td><strong>369,248</strong></td>
<td><strong>359,186</strong></td>
</tr>
<tr>
<td>Works of art at valuation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>23,464</td>
<td>24,827</td>
</tr>
<tr>
<td>Total property, plant and equipment</td>
<td><strong>3,439,550</strong></td>
<td><strong>3,520,866</strong></td>
</tr>
</tbody>
</table>

Valuation of strata entitlement

The strata entitlement is measured at cost less accumulated depreciation and accumulated impairment losses. The Board policy, recognising statutory requirements for assessment of Statement of Financial Position impairment indicators, is that a valuation at current market value be obtained from a registered valuer at three-yearly intervals, and that for each intervening year Directors determine a value as at 31 December based on the most recent valuation, market research and other relevant information.

Strata entitlement at Level 10, 5 Hunter Street, Sydney: purchased on 12 October 2004 for initial cost of $3,100,000. The most recent valuation report dated 11 February 2015 was based on an inspection of the property on 2 February 2015, prepared by George Paton FAPI, FRICS, FREL, AIAMA, Certified Practising Valuer, Registered Valuer No 1212 and Director of Chesterton International (NSW) Pty Limited and valued the strata entitlement at $4,400,000 (2012 was $3,750,000). On this basis the Directors believe that there are no indicators of impairment of the asset carrying value as at 31 December 2014.

The strata entitlement is encumbered by a registered first mortgage as detailed per Note 20(d).

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

<table>
<thead>
<tr>
<th></th>
<th>Property and leasehold improvements</th>
<th>Computer systems, furniture and office equipment</th>
<th>Works of art</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Balance at beginning of year</td>
<td>3,136,853</td>
<td>359,186</td>
<td>24,827</td>
<td>3,520,866</td>
</tr>
<tr>
<td>Additions (net of disposals)</td>
<td>-</td>
<td>164,923</td>
<td>(1,363)</td>
<td>163,560</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(90,016)</td>
<td>(154,860)</td>
<td>-</td>
<td>(244,876)</td>
</tr>
<tr>
<td>Carrying amount at end of the year</td>
<td><strong>3,046,837</strong></td>
<td><strong>369,249</strong></td>
<td><strong>23,464</strong></td>
<td><strong>3,439,550</strong></td>
</tr>
</tbody>
</table>
11. Intangible assets

Website development costs
Balance at the beginning of the year  
Acquisitions — developed during the year  
Balance at end of year  
Amortisation and impairment losses
Balance at beginning of year  
Amortisation for the year  
Balance at end of year  
Carrying amounts at end of year

Website development costs
The website was launched during the first quarter of 2012, at which time the intangible asset was considered ready for use. Amortisation commenced from that time.

12. Trade and other payables

Current
Trade creditors and accruals  
Net GST liability  
Accrued ICSA capitation fee  
Payroll and PAYG tax payable  
Fringe benefits tax payable  
Brisbane premises new lease abatement  

13. Deferred revenue

Subscriptions and fees in advance


(a) Current
Provision for employee short-term entitlements  
Provision for long service leave  

(b) Non-current
Provision for long service leave  
Brisbane premises new lease abatement  

Average number of full-time equivalent employees

15. Leasing commitments

Operating lease commitments
Non-cancellable operating leases contracted for but not capitalised in the financial statements
Being for premises
Payable: Not later than one year  
Later than one but not later than five years  


16. Related party and subsidiary company disclosures

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

(i) ICSA, United Kingdom: under the terms of an operating agreement with ICSA, Governance Institute of Australia Ltd remits an administration fee based on the number of Australian members and students registered with ICSA as at 31 July each year to meet the expenses of the international Institute.

In order to restrict exposure to foreign currency fluctuations while meeting its obligation to ICSA, Governance Institute of Australia Ltd has opened an Australian bank account denominated in pounds sterling which is used to remit the administration fees to ICSA. As at balance date, an unrealised foreign exchange translation surplus of $1,930, (2013 surplus of $18,830), had been accounted for. These payments amounted to:

<table>
<thead>
<tr>
<th></th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>91,172</td>
<td>82,789</td>
</tr>
</tbody>
</table>

(ii) Workplace Education Pty Ltd, a company in which John Williamson is a director, consultant and a shareholder, receiving an amount of:

<table>
<thead>
<tr>
<th></th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-4,671</td>
<td>4,671</td>
</tr>
</tbody>
</table>

(iii) Three Directors, as disclosed in Directors’ report on pages 28–29, are also Directors of Governance Institute of Australia Ltd dormant subsidiary companies.

17. Segment reporting

Governance Institute of Australia Ltd operates as a professional association providing education and promotion of the advancement of effective governance and administration of organisations in the private and public sectors, for members and applicants for membership and for the public. These operations are in Australia and the revenue from operations is as disclosed per Note 2. The company is one reportable segment.

18. Cash flow information

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows.

<table>
<thead>
<tr>
<th></th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and on hand</td>
<td>286,937</td>
<td>288,486</td>
</tr>
<tr>
<td>Cash on deposit</td>
<td>2,689,556</td>
<td>2,781,040</td>
</tr>
<tr>
<td></td>
<td>2,976,493</td>
<td>3,069,526</td>
</tr>
</tbody>
</table>

(b) Reconciliation of cash flow from operations with surplus from ordinary activities after income tax

<table>
<thead>
<tr>
<th></th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net deficit from ordinary activities after income tax</td>
<td>(324,407)</td>
<td>(666,417)</td>
</tr>
<tr>
<td>Non-cash flows in surplus from ordinary activities</td>
<td>393,718</td>
<td>378,629</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>393,718</td>
<td>378,629</td>
</tr>
<tr>
<td>Change in assets and liabilities</td>
<td>3,295</td>
<td>17,870</td>
</tr>
<tr>
<td>Decrease in trade and other receivables</td>
<td>35,310</td>
<td>72,594</td>
</tr>
<tr>
<td>Decrease in other current assets</td>
<td>3,295</td>
<td>17,870</td>
</tr>
<tr>
<td>(Decrease)/Increase in trade and other payables</td>
<td>(175,827)</td>
<td>47,130</td>
</tr>
<tr>
<td>Increase/(Decrease) in deferred revenue</td>
<td>14,205</td>
<td>(24,397)</td>
</tr>
<tr>
<td>Increase in provisions</td>
<td>124,233</td>
<td>167,030</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>70,527</td>
<td>(7,561)</td>
</tr>
</tbody>
</table>
19. Trust funds

Statement of financial position

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estate Late Leonard Chant</td>
<td>1,065,493</td>
<td>1,120,799</td>
</tr>
<tr>
<td>The Institute Trusts</td>
<td>75,564</td>
<td>74,611</td>
</tr>
<tr>
<td></td>
<td>1,141,057</td>
<td>1,195,410</td>
</tr>
</tbody>
</table>

Represented by

Current assets

Cash at bank and on deposit and trade and other receivables | 1,141,057 | 1,195,410 |

Current liabilities

Trade and other payables | 849  | -  |

Total current liabilities | 849  | -  |

Net trust funds | 1,140,208 | 1,195,410 |

Statement of comprehensive income

Income

- Interest — Bequest from Estate Late Leonard Chant | 26,335   | 32,394   |
- Interest — Other trust funds | 937  | 1,099   |

Total income | 27,272  | 33,493  |

Expenditure

- Administration costs | (849)  | -  |
- Bank fees and charges | (107)  | (100)  |
- Scholarships and administrative costs | (81,518) | (51,582) |

Total expenditure | (55,202) | (18,189) |

Used trust funds | (55,202) | (18,189) |

Opening balance | 1,195,410 | 1,213,599 |

Trust funds balance at end of year | 1,140,208 | 1,195,410 |

20. Financial risk management

The company’s financial instruments consist of deposits with banks, accounts receivable and payable, bills and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>2,976,493</td>
<td>3,069,526</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>95,100</td>
<td>130,410</td>
</tr>
<tr>
<td></td>
<td>3,071,593</td>
<td>3,199,936</td>
</tr>
</tbody>
</table>

Financial liabilities

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial liabilities at amortised cost:</td>
<td>591,805</td>
<td>767,632</td>
</tr>
</tbody>
</table>

Total financial liabilities | 591,805  | 767,632  |

Financial risk management objectives and policies

Governance Institute of Australia Ltd’s financial instruments consist principally of accounts receivable, accounts payable, cash and short term bank deposits and bills of exchange. The purpose of these financial instruments is to maintain financial prudence of the funds and to contribute any surplus earnings towards the company’s operations.

Financial risk exposures and management

The main risks that the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.
(a) Net fair values
The carrying amount of bank deposits, prepayments, accounts payable and accounts receivable approximate fair value. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the Notes to the Financial Statements. There is no difference noted between fair values and carrying values of financial instruments.

(b) Interest rate risk
The company’s exposure to interest rates risk is the risk that a financial instrument’s value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities.

The company’s exposure to market interest rate primarily relates to its cash and cash equivalents.

At balance date, the company had the following financial assets exposed to Australian variable interest rate risk.

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>2,976,493</td>
<td>3,069,526</td>
</tr>
</tbody>
</table>


Sensitivity analysis
The following sensitivity analysis is based on the interest rate risk exposure in existence at the balance date. If the interest rates had moved, with other variables held constant, post-tax surplus would have been affected as follows:

<table>
<thead>
<tr>
<th>Post-tax surplus higher/(lower)</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>+1% (100 basis points)</td>
<td>29,765</td>
<td>30,695</td>
</tr>
<tr>
<td>–1% (100 basis points)</td>
<td>(29,765)</td>
<td>(30,695)</td>
</tr>
</tbody>
</table>

The movements in surplus are due to higher/lower interest income from cash balances.

(c) Credit risk
The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

(d) Financial facility
The company has a $310,000 facility for the issue of bank guarantees which is secured by a registered first mortgage over the strata entitlement as detailed in Note 10.

(e) Price risk
The company is not exposed to any material commodity price risk.

(f) Foreign currency risk
The company seeks to mitigate the effects of foreign currency exposure by purchasing pounds sterling (GBP) and holding them in an Australian bank account denominated in GBP until it pays its obligations to ICSA UK.

The following sensitivity analysis is based on foreign currency risk exposure in existence at balance date.

<table>
<thead>
<tr>
<th>Cash balance of GBP at year end</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUD/GBP+5%</td>
<td>2,034</td>
<td>6,069</td>
</tr>
<tr>
<td>AUD/GBP-5%</td>
<td>(2,034)</td>
<td>(6,069)</td>
</tr>
</tbody>
</table>
(g) Liquidity risk
The company manages liquidity risk by monitoring forecast cash flows and ensuring that liquidity risk arising from the company's financial liabilities is minimised so that it will meet its obligations to repay the financial liabilities as and when they fall due.

To help reduce these risks, Governance Institute of Australia Ltd has a liquidity policy in place which requires minimum average levels of cash and cash equivalents to be maintained.

Trade and other financial liabilities mainly originate from financing of assets used in the company's ongoing operations. These are summarised in the table below and represent the company's total liquidity risk.

<table>
<thead>
<tr>
<th>Year ended 31 December 2014</th>
<th>Less than 1 year</th>
<th>1–5 years</th>
<th>Non-interest bearing</th>
<th>Total</th>
<th>Weighted average %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2,976,493</td>
<td>-</td>
<td>-</td>
<td>2,976,493</td>
<td>3.14</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>-</td>
<td>-</td>
<td>95,100</td>
<td>95,100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,976,493</td>
<td>-</td>
<td>95,100</td>
<td>3,071,593</td>
<td></td>
</tr>
</tbody>
</table>

| Financial liabilities       |                  |           |                      |       |                   |
| Trade and other payables    | -                | -         | 591,805              | 591,805 |                   |
|                            |                  |           |                      |       |                   |

<table>
<thead>
<tr>
<th>Year ended 31 December 2013</th>
<th>Less than 1 year</th>
<th>1–5 years</th>
<th>Non-interest bearing</th>
<th>Total</th>
<th>Weighted average %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3,069,526</td>
<td>-</td>
<td>-</td>
<td>3,069,526</td>
<td>3.14</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>-</td>
<td>-</td>
<td>130,410</td>
<td>130,410</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,069,526</td>
<td>-</td>
<td>130,410</td>
<td>3,199,936</td>
<td></td>
</tr>
</tbody>
</table>

| Financial liabilities       |                  |           |                      |       |                   |
| Trade and other payables    | -                | -         | 767,632              | 767,632 |                   |
|                            |                  |           |                      |       |                   |

21. Events subsequent to reporting date
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations or the state of affairs of the entity in subsequent financial years.

22. Contingent liabilities
There are no contingent liabilities as at 31 December 2014.
Directors’ declaration

In the opinion of the Directors of Governance Institute of Australia Ltd ('the Company'):

(a) the financial statements and notes that are set out on pages 31 to 44 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Trisha Mok FGIA
Director
Dated at Sydney this 7th day of March 2015.

Simon Pordage FGIA
Director

Auditor’s independence declaration

Lead Auditor’s Independence Declaration under Section 307C of the Corporations Act 2001

To: the Directors of Governance Institute of Australia Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2014 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Cameron Roan
Partner
Sydney
7 March 2015
Independent auditor’s report

to the members of Governance Institute of Australia Ltd

Report on the financial report
We have audited the accompanying financial report of Governance Institute of Australia Ltd (the company), which comprises the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in members’ funds and statement of cash flows for the year ended on that date, Notes 1 to 22 comprising a summary of significant accounting policies and other explanatory information and the Directors’ declaration.

Directors’ responsibility for the financial report
The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the company’s financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor’s opinion
In our opinion, the financial report of Governance Institute of Australia Ltd is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company’s financial position as at 31 December 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

KPMG
Cameron Roan
Partner
Sydney
7 March 2015

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (‘KPMG International’), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.
# Detailed operating surplus and deficit accounts for the five years 2010–2014

<table>
<thead>
<tr>
<th></th>
<th>2014 $</th>
<th>2013 $</th>
<th>2012 $</th>
<th>2011 $</th>
<th>2010 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member and subscriber fees</td>
<td>2,699,304</td>
<td>2,589,866</td>
<td>2,514,127</td>
<td>2,449,618</td>
<td>2,383,849</td>
</tr>
<tr>
<td>Graduate Diploma</td>
<td>2,657,275</td>
<td>2,526,878</td>
<td>2,313,447</td>
<td>2,233,453</td>
<td>2,186,718</td>
</tr>
<tr>
<td>Short courses and Certificates</td>
<td>3,009,638</td>
<td>2,526,878</td>
<td>2,313,447</td>
<td>2,233,453</td>
<td>2,247,870</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>371,058</td>
<td>454,624</td>
<td>518,936</td>
<td>519,022</td>
<td>503,230</td>
</tr>
<tr>
<td>Interest</td>
<td>88,255</td>
<td>108,298</td>
<td>134,517</td>
<td>159,193</td>
<td>135,689</td>
</tr>
<tr>
<td>Other income</td>
<td>78,915</td>
<td>80,001</td>
<td>93,464</td>
<td>82,384</td>
<td>95,569</td>
</tr>
<tr>
<td>Publications, journal and merchandise†</td>
<td>26,018</td>
<td>41,228</td>
<td>46,758</td>
<td>191,412</td>
<td>34,072</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>8,930,463</td>
<td>8,825,061</td>
<td>8,503,508</td>
<td>8,209,007</td>
<td>7,586,997</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>4,719,122</td>
<td>4,371,277</td>
<td>4,075,797</td>
<td>3,725,374</td>
<td>3,478,053</td>
</tr>
<tr>
<td>Graduate Diploma</td>
<td>765,519</td>
<td>871,838</td>
<td>655,847</td>
<td>641,171</td>
<td>627,277</td>
</tr>
<tr>
<td>Short courses and Certificates</td>
<td>838,315</td>
<td>908,153</td>
<td>842,575</td>
<td>793,166</td>
<td>295,334</td>
</tr>
<tr>
<td>Occupancy and state facilities</td>
<td>599,478</td>
<td>548,697</td>
<td>515,706</td>
<td>478,546</td>
<td>451,181</td>
</tr>
<tr>
<td>Publications, journal and merchandise†</td>
<td>281,175</td>
<td>261,285</td>
<td>282,990</td>
<td>270,222</td>
<td>295,334</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>393,718</td>
<td>378,629</td>
<td>369,095</td>
<td>287,060</td>
<td>451,181</td>
</tr>
<tr>
<td>Travel and meetings</td>
<td>249,272</td>
<td>255,254</td>
<td>221,851</td>
<td>209,985</td>
<td>192,128</td>
</tr>
<tr>
<td>Profile and website maintenance</td>
<td>487,203</td>
<td>435,814</td>
<td>345,276</td>
<td>448,059</td>
<td>478,314</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>315,627</td>
<td>326,378</td>
<td>311,620</td>
<td>234,790</td>
<td>229,419</td>
</tr>
<tr>
<td>ICSA, UK — capitation fee</td>
<td>91,172</td>
<td>82,789</td>
<td>82,655</td>
<td>82,698</td>
<td>113,598</td>
</tr>
<tr>
<td>Telephone, facsimile and email</td>
<td>98,390</td>
<td>89,633</td>
<td>84,287</td>
<td>78,333</td>
<td>80,264</td>
</tr>
<tr>
<td>Bank and credit card fees</td>
<td>30,892</td>
<td>33,176</td>
<td>88,962</td>
<td>111,820</td>
<td>104,360</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>94,318</td>
<td>86,497</td>
<td>86,970</td>
<td>92,227</td>
<td>100,013</td>
</tr>
<tr>
<td>International representation</td>
<td>108,961</td>
<td>101,176</td>
<td>121,616</td>
<td>141,906</td>
<td>87,417</td>
</tr>
<tr>
<td>Postage and courier</td>
<td>15,389</td>
<td>17,347</td>
<td>21,354</td>
<td>17,237</td>
<td>18,041</td>
</tr>
<tr>
<td>Insurance</td>
<td>38,494</td>
<td>38,962</td>
<td>39,367</td>
<td>38,734</td>
<td>28,916</td>
</tr>
<tr>
<td>Other expenses</td>
<td>71,962</td>
<td>22,016</td>
<td>63,178</td>
<td>34,254</td>
<td>52,489</td>
</tr>
<tr>
<td>Auditors</td>
<td>25,000</td>
<td>25,100</td>
<td>23,360</td>
<td>22,660</td>
<td>25,000</td>
</tr>
<tr>
<td>Professional services</td>
<td>16,523</td>
<td>18,747</td>
<td>31,573</td>
<td>44,875</td>
<td></td>
</tr>
<tr>
<td>Rebranding and renaming project**</td>
<td>10,175</td>
<td>605,501</td>
<td>55,504</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ICSA structural reform***</td>
<td>4,246</td>
<td>11,057</td>
<td>46,144</td>
<td>341,346</td>
<td>-</td>
</tr>
<tr>
<td>Chant Legacy Trust legal fees****</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>110,533</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>9,254,951</td>
<td>9,491,478</td>
<td>8,352,901</td>
<td>8,191,694</td>
<td>7,326,794</td>
</tr>
<tr>
<td><strong>(Deficit)/surplus from ordinary activities</strong></td>
<td>(324,488)</td>
<td>(666,417)</td>
<td>150,607</td>
<td>17,313</td>
<td>260,203</td>
</tr>
<tr>
<td><strong>Net gain/(loss) on disposal of asset</strong></td>
<td>81</td>
<td>-</td>
<td>(1,051)</td>
<td>(493)</td>
<td>(168)</td>
</tr>
<tr>
<td><strong>Total (deficit)/surplus for the year</strong></td>
<td>(324,407)</td>
<td>(666,417)</td>
<td>149,556</td>
<td>16,820</td>
<td>260,035</td>
</tr>
</tbody>
</table>

* Publications, journal and merchandise includes publication and sale of technical booklets.
** Expenditure incurred in rebranding company to Governance Institute of Australia Ltd.
*** ICSA structural reform costs incurred during the year consist of legal, meetings, constitutional and proxy solicitation fees spent on the ICSA/Governance Institute of Australia Ltd’s governance matters.
**** Chant Legacy Trust legal fees as per note 1(n).
Members’ code of ethics

Governance Institute of Australia Ltd requires its members to observe the highest standards of professional conduct and ethical behaviour in all of their activities. By maintaining such standards, members enhance their own standing as corporate managers and increase public confidence in the management and administration of corporations.

- Members shall uphold the objectives of Governance Institute of Australia Ltd and abide by the regulations.
- As the conduct of an individual member can reflect upon the wider profession of corporate management and upon Governance Institute of Australia Ltd’s membership as a whole, the Code sets out what are deemed to be appropriate standards of professional conduct.
- Members shall refrain from conduct or action which detracts from the reputation of Governance Institute of Australia Ltd.
- Members are required to exercise complete probity, honesty and diligence in carrying out their duties and responsibilities.
- Members shall at all times safeguard the interests of their employers or clients provided that members shall not knowingly be party to any illegal or unethical activity.
- Members shall not enter into any agreement or undertake any activity which may be in conflict with the interests of their employers or clients or which would prejudice the performance of their professional duties.
- Members shall not use confidential information gained in the performance of their duties for any personal gain nor in a manner which would be detrimental to their employer or client.
- Members shall exercise due care and diligence in performing their duties and ensure the currency of their knowledge, skills and technical competencies.
- Members acknowledge that this Code is to be adhered to both in spirit and to the letter, so that members’ conduct is governed by the highest standards of professionalism and ethical behaviour.

* Forms part of Governance Institute of Australia Ltd’s Code of Business Conduct and Ethics
Contact

Registered office

National office
Level 10, 5 Hunter Street,
Sydney NSW 2000
T (02) 9223 5744
F (02) 9232 7174
E info@governanceinstitute.com.au
W governanceinstitute.com.au
ACN: 008 615 950
ABN: 49 008 615 950

State offices

New South Wales & ACT
Level 10, 5 Hunter Street
Sydney NSW 2000
T (02) 9223 5744
F (02) 9232 7174

Queensland
Level 3, 370 Queen Street
Brisbane QLD 4000
T (07) 3229 6879
F (07) 3229 8444

South Australia & Northern Territory
37 King William Street
Kent Town SA 5067
T (08) 8132 0266
F (08) 8132 0822

Victoria & Tasmania
Level 7, 500 Collins Street
Melbourne VIC 3000
T (03) 9620 2488
F (03) 9620 2499

Western Australia
Ground Floor, 8 Victoria Avenue
Perth WA 6000
T (08) 9321 8777
F (08) 9321 8555