Governance Institute of Australia Ltd (Governance Institute) promotes and advances effective governance in Australian organisations and the wider community. We principally do this by educating and 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.

In doing this we are becoming a more vibrant and more diverse organisation.

While professionals in governance, risk management and compliance still comprise the largest portion of our membership, we are drawing members from an increasingly wide range of backgrounds and professional responsibilities.

Despite the profession traditionally being male dominated, the number of women studying with Governance Institute and then taking up membership is steadily growing. This is very apparent in our Certificated membership pathway but increasingly in our Associate and Fellow membership as well. Overall, females represented 57 per cent of new members in 2015, up from 54 per cent the previous year.

There is also good gender diversity among our senior management and staff, and the gender balance of our Board is also increasingly reflecting the greater diversity of our overall membership.

### Key metrics

**Governance Institute of Australia Ltd**

<table>
<thead>
<tr>
<th>Workplace — Entire staff</th>
<th>Workplace — Senior management</th>
<th>Board members</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2015</td>
<td>2015</td>
</tr>
<tr>
<td>22%</td>
<td>45%</td>
<td>27%</td>
</tr>
<tr>
<td>78%</td>
<td>55%</td>
<td>73%</td>
</tr>
</tbody>
</table>

**New members by gender joining the Institute**

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>43%</td>
<td>57%</td>
<td>100%</td>
</tr>
<tr>
<td>2014</td>
<td>46%</td>
<td>54%</td>
<td>100%</td>
</tr>
<tr>
<td>2013</td>
<td>44%</td>
<td>56%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Diversity of professional responsibilities of members**

<table>
<thead>
<tr>
<th>Professional Responsibility</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance, risk management and compliance</td>
<td>42%</td>
</tr>
<tr>
<td>Accounting/finance and auditing</td>
<td>12%</td>
</tr>
<tr>
<td>Legal responsibility</td>
<td>5%</td>
</tr>
<tr>
<td>Workplace relations</td>
<td>2%</td>
</tr>
<tr>
<td>Corporations law (including ASX Listing Rules)</td>
<td>2%</td>
</tr>
<tr>
<td>Insurance and superannuation</td>
<td>11%</td>
</tr>
<tr>
<td>Taxation</td>
<td>10%</td>
</tr>
<tr>
<td>Intellectual property</td>
<td>6%</td>
</tr>
<tr>
<td>IT</td>
<td>8%</td>
</tr>
<tr>
<td>Property</td>
<td>2%</td>
</tr>
</tbody>
</table>
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair and CEO report</td>
<td>2</td>
</tr>
<tr>
<td>Governance and stewardship</td>
<td>4</td>
</tr>
<tr>
<td>Membership of Governance Institute</td>
<td>6</td>
</tr>
<tr>
<td>Strategy</td>
<td>8</td>
</tr>
<tr>
<td>Training and developing the profession</td>
<td>10</td>
</tr>
<tr>
<td>Governance Institute members involved in education and training</td>
<td>12</td>
</tr>
<tr>
<td>Leadership and influence</td>
<td>14</td>
</tr>
<tr>
<td>Employees</td>
<td>16</td>
</tr>
<tr>
<td>Profiles of Governance Institute members</td>
<td>18</td>
</tr>
<tr>
<td>Governance Institute national executive</td>
<td>20</td>
</tr>
<tr>
<td>State executive</td>
<td>22</td>
</tr>
<tr>
<td>Member milestones</td>
<td>23</td>
</tr>
<tr>
<td>Directors’ report</td>
<td>26</td>
</tr>
<tr>
<td>Financial report</td>
<td>31</td>
</tr>
<tr>
<td>Directors’ declaration/Auditor’s independence declaration</td>
<td>45</td>
</tr>
<tr>
<td>Independent auditor’s report</td>
<td>46</td>
</tr>
<tr>
<td>Detailed operating surplus and deficit accounts</td>
<td>47</td>
</tr>
<tr>
<td>Members’ code of ethics</td>
<td>48</td>
</tr>
<tr>
<td>Contact</td>
<td>49</td>
</tr>
</tbody>
</table>
Governance Institute of Australia is committed to preparing an integrated report as its Annual Report to members. This is the fourth 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 during the year, we farewelled our long serving CEO, Tim Sheehy, and appointed Steven Burrell as our new CEO to lead the Governance Institute forward. We built on the reasons for the name change in 2013 by formally expanding our learning programs in risk management, and continued our strong thought leadership in governance under the banner *Setting the Agenda*.

**Experts in governance practice**

Governance Institute continues to enjoy the benefit of the broader reach from the name and brand changes. To date we have seen a 20 per cent year-on-year increase in visitors to our website and our LinkedIn company page followers grow by 72 per cent since 31 December 2014. Our media presence has outstripped that achieved in 2014, which had been our 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 governance for schools and whole-of-organisation governance, as well as the role of our corporate regulator.

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 has been achieved while still maintaining the recognition that Governance Institute is focused on governance practice.

**Education and advocacy**

A principal 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 Associate and Fellow membership as well as 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 2015 we launched two new postgraduate courses, the Graduate Certificate of Applied Risk Management (previously offered as an 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. Both programs enjoyed strong enrolments this year and will continue to grow year by year.

Also launched in 2015 was our Certificate in Risk Management (International), with classes held in Singapore, Kuala Lumpur and Hong Kong. As with the other Certificate courses, the Certificate in Risk Management (International) is also offered online, which will have great appeal to people outside of Australia.

All of these initiatives are consistent with our mission and the evolution of our organisation. Governance Institute now has over 1,000 Certificated members and nearly 6,000 members that are Chartered Secretaries. Risk management professionals now make up eight 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 2015 also saw the commencement of our third *Setting the Agenda* series — this one addressing the future role of ASIC and what type of corporate regulator we want. The initial public forum in August coincided with the announcement of the government’s
Capability Review of ASIC and so Governance Institute was well
placed to provide substantial input to the review.
Governance Institute is committed to shaping the governance
framework in Australia and will continue to do so with the input
of the Governance Advisory Panel.

Serving members
In August 2015 we successfully launched an app for iPad
version of our journal, Governance Directions. Our research
revealed that 72 per cent of members currently own or have
access to a tablet. Providing the journal as an app allows our
members and subscribers to interactively read Governance
Directions whenever and wherever it suits them. The feedback
from our members was that downloading the app was easy
and intuitive and they liked accessing the journal in a more
convenient fashion and as soon as it is available.

In addition we are implementing new IT platforms to improve
delivery of our education and other services, facilitate access to
information, streamline our systems and processes and, crucially,
make your dealings with us as easy and enjoyable as possible.

New directions for the ICSA
There have been two meetings this year of the Council of the
Institute of Chartered Secretaries and Administrators (ICSA) 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 alongside 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.

The ICSA Council is now supported by an association
management company for secretariat support and a new director
general has been appointed to progress strategic initiatives. A
major review of the International Qualifying Scheme is already
underway that aims to open up new pathways to membership
similar to what has been implemented by Governance Institute.

Financial health
Trading conditions have continued to be strong across all
aspects of the operations of Governance Institute, contributing
to the surplus of $133,549. Training and professional
development activities have enjoyed particularly strong growth
above 2014. Enrolments in postgraduate education, which
ultimately produce potential applicants for membership, were
also higher than in 2014.

Our mission
Governance Institute’s mission is 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. Good governance can improve decision-
making and contribute to improved organisational performance,
but only if that improved performance is achieved responsibly.

Conclusion
In closing, 2015 has been a satisfying year in our organisation’s
evolution and seen us continue to make significant contributions
to Australia’s governance knowledge, capacity and legislative
framework.
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.

Simon Pordage FGIA FCIS
President and Chair of
Governance Institute of
Australia Ltd and of the
Australian Division of ICSA.

Steven Burrell
Chief Executive of
Governance Institute of
Australia Ltd and of the
Australian Division.
Governance and stewardship

Governance Institute’s own governance framework is modelled on that of leading listed companies but with the additional overlay of being a membership organisation requiring considerations that go beyond this. We believe this approach is not only appropriate but ensures the organisation can deliver substantial value to members into the future.

Accordingly, Governance Institute reports against the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (Principles and Recommendations), which we see as being extremely relevant to this organisation.

Our Corporate Governance Statement is available on our website at 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. As such, we outline below those aspects of our governance framework that go beyond the Principles and Recommendations under five broad principles, or governance ‘pillars’: transparency, accountability, stewardship and financial sustainability, integrity and member sustainability.

Transparency

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

In 2015 we communicated extensively about a range of 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 use social media as another channel to inform members, via our pages on LinkedIn and Facebook and via Twitter. While these 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 continued to communicate with members about developments within the international body with which we are associated, the Institute of Chartered Secretaries and Administrators (ICSA) and on how the new council was progressing.

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 appropriate board papers and meeting updates to staff. The full strategic plan is circulated to all staff. 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 toward achieving 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 continued to be effective in promoting this 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 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

Governance Institute is managed for the benefit of members, taking reasonable account of the interests of other legitimate stakeholders. In recent years 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 in order to cater for the expanding professional needs of our widening membership.

The change of name to Governance Institute of Australia and repositioning of our brand is a strategy that the Board has undertaken with a clear 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 well as ensuring continued financial sustainability.

The Board successfully opened up the membership to appeal to a wider range of governance practitioners and developed new qualifying programs, and it followed that our name needed to change to reflect this new reality of what the organisation had transformed into.

All of the major strategic decisions made by Governance Institute are the result of the 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 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 the total income came from membership fees 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. We also now focus 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 48). There are few disciplinary actions against members and there is strong member retention — these facts combined reveal how you, the members, embody integrity in your professional practice.

It is also vital that the staff of Governance Institute reflect this high level of integrity. Each staff member has the values of the organisation embedded in their performance plan, one of which is to behave ethically. All staff are reviewed biannually on their performance.

We demonstrate integrity in our engagement with regulators and policy makers, bringing an independent mind to influencing public policy and other issues affecting the profession.

We also promote integrity in our learning programs, not only via the quality of the content, but also through procedural fairness and educational equity. Education policies are publicly available on our website, covering a range of matters such as enrolment; academic misconduct; subject and course completion; refunds; assessment and appeals; and assignment and examination rules and procedures.

Member sustainability

Governance Institute Directors are charged with ensuring the sustainability of our organisation. They set the strategic directions to ensure the organisation remains financially strong, that the membership is vibrant and renewing and that the organisation remains relevant to constituents, government and business regulators, business media and other key stakeholders now and into the future.

The Board of Governance Institute has long held the view that membership can only be attained by demonstrating some degree of expertise in the body of knowledge of the profession. This sets Governance Institute apart from many membership associations but also creates a number of challenges. While the number of new members is important, the gender mix, professional background and retention of those members is critical.
Membership of Governance Institute

New members

The growth of membership demonstrates the strength of the organisation and the value prospective members believe they will gain from joining.

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

Because of this, the Board has acknowledged that Associate and Fellow membership growth will always be moderate, due to the significant time and commitment involved.

In 2015, the number of new members across the three category types remained constant.

The Certificated member category meets the needs of those who have a general interest in governance and risk management, as well as those who are beginning their careers in these areas. Governance Institute’s Certificated member numbers have continued to increase over the last three years.

In 2015 the highest proportion of Certificate graduates in the organisation’s history converted to membership.

Member retention

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

Governance Institute is proud of the strong retention rates it has for all membership categories. As it is not mandatory for directors, company secretaries or risk managers to maintain membership in the organisation, the level of renewal is a testament to the perceived value membership holds for governance and risk professionals.

Associate and Fellow membership retention remained strong throughout 2015. Members who were elected to or advanced to Fellowship, or achieved continuous membership of 25 or 50 years can be viewed on pages 23–24.

Although there was a slightly lower than anticipated retention rate for Certificated membership in 2015, Governance Institute will focus on lifting these numbers in 2016 by tailoring benefits to individual members.

In 2015 the highest proportion of Certificate graduates in the organisation’s history converted to membership.
Membership gender representation

Governance Institute is committed to gender diversity across Australia’s governance and risk management sectors.

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

The current ratio of male Associate and Fellow members reflects the traditional demographic of the profession, which is changing.

Currently women constitute 59 per cent of the newer Certificated membership category and overall 57 per cent of all new members in 2015 were women across all categories. This augurs well for the future gender balance of the sector.

Governance Institute is working hard to ensure that current Certificated members transition to Associate and Fellow levels, so that greater gender diversity in that category is achieved.
Strategy

Governance Institute has a robust strategic planning process, involving senior staff, state and regional councils and the Board, which has contributed greatly to our continued growth.

The process begins early each year when input is sought from the state councils to both facilitate member engagement and test current strategic thinking. In mid-year, the Board and executives participate in a weekend strategy meeting to review progress on the current strategic plan, assess the business environment and plan for the future of the organisation. From this meeting a draft plan for the coming year is developed which is revised and reviewed in September and then finally approved at the final Board meeting of the year.

This provides the basis of each staff member’s own personal performance plan for the following year, which in turn underpins their performance-related remuneration.

The strategic plan links back to our mission and business objectives for the organisation.

Governance Institute’s mission is to be the leader in the promotion and application of the practice of whole-of-organisation governance to drive responsible performance. To achieve this, the Board has set three objectives for the organisation to strive toward, to ensure that:

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

We evaluate our success by measuring participation, engagement and achievement of advocacy outcomes. We also report on trends in enrolments, course completion rates and rates of subsequent conversion to membership.

Advocacy and thought leadership

In 2015 Governance Institute continued to devote significant resources to enhancing Australia’s governance framework so that it leads the world in facilitating a strong economy, including through our ongoing thought leadership program, Setting the Agenda.

To drive responsible performance, Governance Institute wants to see Australia’s governance framework enable organisations and regulatory systems to have the capacity to deal with competing stakeholder interests, the changing demographics of our society and economic and environmental challenges.

The Setting the Agenda series facilitates this by fostering frank and robust discussion at the highest level to determine what Australia’s governance framework should be in the 21st century.

A major thought leadership project in 2015 looked at ASIC and asked ‘what sort of corporate regulator does Australia need?’. Governance Institute facilitated a public debate on the role of ASIC and what the market believes its core responsibilities and functions should be to best serve the interests of the Australian economy. The public debate was intended to both inform public policy deliberations in relation to ASIC and to educate consumers and market participants as to ASIC’s role. Governance Institute is viewed as an independent voice in the formulation of public policy and commentary on corporate governance and law issues. As such, we felt we were well placed to foster a discussion aimed at improving understanding of the vital role that ASIC plays in facilitating confidence in the market and those who participate in it.

Other initiatives in 2015 included developing guidelines for whole-of-organisation governance, governance principles for the boards of public sector entities and guidance on sound governance for the members of school boards and councils.

We also continued the project conducted with our Governance Advisory Panel on shareholder primacy, revolving around the primacy of directors’ obligations to shareholders and the need to clarify this in the light of the increased societal expectations of the role played by large listed companies in our community.

While we continue to conduct proactive advocacy in thought leadership projects, we also continue to respond and contribute to the discussion of proposed legal and regulatory reform through the work of three internal policy committees. In 2015 we were again active on range of issues, including the future of the ACNC, reform of the annual general meeting, superannuation fund governance and reform of the funding model for the corporate regulator, ASIC.

Our policy committees also actively contribute to legislative and regulatory reform by proposing changes that will enhance governance frameworks. Key issues to be explored in 2016 include reform of the AGM, holistic reform of corporate reporting, including remuneration reporting, and updating the Corporations Act to make it ‘technology neutral’.

Our ongoing membership of external committees and organisations, including the ASX Corporate Governance Council, Standards Australia’s Risk Management Committee and ASIC’s Business Advisory Committee is consistent with our objective to influence the development of Australia’s governance framework.
Our contribution rests on our knowledge and expertise in governance and risk management.

We will also further our objective by engaging in international forums such as the Corporate Secretaries International Association and the International Corporate Governance Network, allowing us to influence the shape of regulation in other countries that could flow back to Australia.

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

Learning

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

Governance Institute seeks to continually improve the quality of its courses and the flexibility and quality of its distance learning. In recent years we have worked to lift the quality and functionality of our online courses and the depth of our online libraries, and this project will continue in 2016. These enhancements improve our course retention and graduation rates, which is how we measure our success.

2015 saw the successful introduction of the Graduate Certificate of Applied Risk Management and the Graduate Diploma of Applied Risk Management and Corporate Governance. These courses in risk management were launched to cater for the expanding professional needs of our members. They are unrivalled in the breadth and depth of their 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.

The Graduate Diploma in Applied Corporate Governance meanwhile 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.

We also continue to provide a wide range of short courses, leading to Certificates in Governance Practice, Governance and Risk Management and Governance for Not-for-Profits. These courses, offered as up-to-date public training or tailored in-house learning, provide skills-based governance and risk management training and a qualification for professionals who are responsible for corporate accountability processes and functions within an organisation.

Information and resources

In order to fulfil our mission 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, Governance Institute produces a range of knowledge resources.

For those looking for assistance on the practice of governance, our resources will be helpful, regardless of whether you are a beginner or a sophisticated governance practitioner.

As a service to our members and the wider community, there are now 76 Good Governance Guides as well as more in-depth guidance on various governance issues freely available on our website. Our ten technical booklets are also available to members at no charge and the wider community at nominal cost. Governance Directions continues to be Australia’s pre-eminent journal in the field. In 2015, the journal and our technical booklets were made available to members in the Governance Institute app — our first foray into the digital provision of intellectual property.

Our best practice templates on key governance documents such as the agenda, minutes, action item lists and the register of interests and related party transactions continue to provide an invaluable resource for those embarking on the journey of understanding how best to provide support to boards to enhance their effectiveness.

We are grateful to our members for donating their time and expertise in developing all of our intellectual property. The value of these resources is reflected in the large numbers of people who view, or download or order them. We measure our success by that demand.

Innovation, future growth and sustainability

A significant strategic challenge facing Governance Institute is the need to achieve higher rates of growth in membership, enrolments in our education and training courses and attendances at professional development events, in order to give us greater critical mass and influence and the means to fund improved benefits to members, advocacy and other aspects of our mission.

The 2016–2018 Strategic Plan includes the first steps in a wider strategic response to these challenges under our new Chief Executive.

Initiatives for 2016 already incorporated in this year’s budget are primarily aimed at increasing membership and subscriber numbers, increasing take-up of postgraduate and short courses, building new sponsorship and partnership arrangements and improving operational efficiencies to contain costs.

There will also be a continuation of our overseas business development strategy to offer short courses and Certificates in Asian markets, particularly in Hong Kong, Singapore and Malaysia, in conjunction with partners in those markets.

We are investing in new information technology systems to improve delivery of our education and other services, improve access to information, streamline our systems and processes and, crucially, make our interface with members and subscribers as easy and enjoyable for them as possible.

A new digital strategy will be implemented in 2016 which will help us further pursue new and innovative ways to engage with members, including better use of our website and social media, richer and more relevant content, enhanced member communications and improved and more easily accessible products and services.
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
- building alliances with other educators to leverage governance and risk education into new areas.

The pathways to acquiring governance and risk management skills.

Building quality governance and risk management skills requires significant education and training resources. Governance Institute’s education and training provides a sophisticated and evolving suite of courses to help organisations meet this governance and risk management challenge.

### Short courses

Individuals often first 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? They then seek to undertake further education as they become more aware of the knowledge and skills needed to carry out good governance and risk management.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of short courses undertaken</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>4,787</td>
</tr>
<tr>
<td>2014</td>
<td>4,091</td>
</tr>
<tr>
<td>2013</td>
<td>4,342</td>
</tr>
</tbody>
</table>

### Certificates

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 Certificate enrolments

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of enrolments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>562</td>
</tr>
<tr>
<td>2014</td>
<td>441</td>
</tr>
<tr>
<td>2013</td>
<td>615</td>
</tr>
</tbody>
</table>

#### Number of graduates

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>448</td>
</tr>
<tr>
<td>2014</td>
<td>428</td>
</tr>
<tr>
<td>2013</td>
<td>446</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>2015</td>
<td>264</td>
</tr>
<tr>
<td>2014</td>
<td>240</td>
</tr>
<tr>
<td>2013</td>
<td>213</td>
</tr>
</tbody>
</table>

#### Certificated members by gender

<table>
<thead>
<tr>
<th>Year</th>
<th>Female (%)</th>
<th>Male (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td>2014</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>2013</td>
<td>39%</td>
<td>61%</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

Postgraduate courses

Individuals can undertake an accredited postgraduate course as their careers progress, providing a deeper and much more rigorous exploration of knowledge and skills, 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 were offered.

Number of postgraduate enrolments

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Enrolments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,269</td>
</tr>
<tr>
<td>2014</td>
<td>1,263</td>
</tr>
<tr>
<td>2013</td>
<td>1,326</td>
</tr>
</tbody>
</table>

Number of enrolments by Certificate graduates

Many Certificated graduates 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 Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>220</td>
</tr>
<tr>
<td>2014</td>
<td>205</td>
</tr>
<tr>
<td>2013</td>
<td>197</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.

Number of events

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>221</td>
</tr>
<tr>
<td>2014</td>
<td>215</td>
</tr>
<tr>
<td>2013</td>
<td>221</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.

Number of attendees

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>5,515</td>
</tr>
<tr>
<td>2014</td>
<td>5,534</td>
</tr>
<tr>
<td>2013</td>
<td>6,041</td>
</tr>
</tbody>
</table>
Governance Institute members involved in education and training

Governance Institute members add value by participating 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, strengthens and reinforces the 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, thus creating a virtuous circle of governance expertise and practice. 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 and tutors in our postgraduate courses. They are responsible for teaching classes to a postgraduate standard.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>68%</td>
</tr>
<tr>
<td>2014</td>
<td>52%</td>
</tr>
<tr>
<td>2015</td>
<td>65%</td>
</tr>
</tbody>
</table>

### Guest presenters at postgraduate course subjects who are Governance Institute members

Guest presenters provide specialised expertise in specific sections of the postgraduate classes.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>38%</td>
</tr>
<tr>
<td>2014</td>
<td>36%</td>
</tr>
<tr>
<td>2015</td>
<td>30%</td>
</tr>
</tbody>
</table>

### Training presenters who are Governance Institute members

Training presenters deliver the short courses for Governance Institute.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>49%</td>
</tr>
<tr>
<td>2014</td>
<td>53%</td>
</tr>
<tr>
<td>2015</td>
<td>61%</td>
</tr>
</tbody>
</table>

### 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.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>51%</td>
</tr>
<tr>
<td>2014</td>
<td>47%</td>
</tr>
<tr>
<td>2015</td>
<td>43%</td>
</tr>
</tbody>
</table>

### 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 to mirror the system used in postgraduate education.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>50%</td>
</tr>
<tr>
<td>2014</td>
<td>44%*</td>
</tr>
<tr>
<td>2015</td>
<td>39%</td>
</tr>
</tbody>
</table>

* This percentage was previously shown as 56% in the 2014 Annual Report.

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.
Governance Institute members involved in education and training
Leadership and influence

Advocacy is an important part of Governance Institute’s activities. This takes the form of meeting with government ministers, regulators and those advising the policy makers; representing the organisation on relevant industry and regulatory committees, both domestically and internationally; developing and lodging submissions on proposed legal and regulatory reform; developing guidance on the application of governance and risk management in practice; giving evidence to committees or participating in roundtables dedicated to progressing reform; and providing media commentary on issues as they arise.

By engaging in policy reform processes, and by being an independent voice in areas where the expertise of our members is highly relevant, we can influence the development of public policy. We also lead the development of ideas for improvements to governance frameworks through our Setting the Agenda series. As part of this series, we initiate thought leadership projects that stimulate discussion on how aspects of Australia’s governance framework can enable organisations to deal with competing stakeholder interests, the changing demographics of our society and environmental challenges and disruption.

In 2015, we launched three major thought leadership projects.

ASIC: What sort of corporate regulator does Australia need?

Governance Institute held a major public forum mid-year to determine whether the role and responsibilities of the Australian Securities and Investments Commission (ASIC) should change to enhance the regulator’s ability to maintain the efficiency and integrity of Australia’s financial system. The Assistant Treasurer at the time, the Hon Josh Frydenberg MP; David Murray AO, Chair of the Financial Systems Inquiry; Elmer Funke Kupper, ASX Chief Executive and a panel of experts from the corporate, consumer, investor and legal sectors held a robust discussion about the significant expansion in ASIC’s responsibilities and its capacity to meet the breadth of its charter, as well as its consultation with stakeholders and governance. Other key issues addressed include the challenges ASIC faces — such as its power to take action in mass markets, deterrence and the interaction with the political process — its relationships with other agencies, confidentiality issues and its stance on culture. The discussion emphasised the need for stability of funding to ensure we maintain confidence in ASIC and preserve the integrity of the market. In timely fashion, the government announced the ASIC Capability Review some weeks prior to Governance Institute’s forum and the Review Panel members attended the event. The discussion had significant influence on the ASIC Capability Review Panel’s thinking.

Whole-of-organisation governance

For the last decade or more, the concentration has been on governance at board level, but good governance needs to extend beyond the boardroom. It needs to cascade throughout an organisation to enable performance. This is the next frontier in governance. Governance Institute issued Guidelines: Whole-of-organisation governance to help governance professionals and management teams ensure that the effort undertaken by all employees across the organisation is aligned with the strategic objectives by clarifying individuals’ roles, authorities and accountabilities in achieving strategic objectives, empowering individuals to make decisions that are aligned with strategic objectives, providing direction as to the controls and boundaries that apply to the exercise of authority, and ensuring there is clear and effective accountability for the decisions taken and authority exercised. A clear whole-of-organisation governance framework supports the achievement of the organisation’s strategic objectives by clarifying that decision-making is tied to risk and there is accountability for the exercise of authority. Such a framework allows all employees to respond to changing circumstances, while ensuring that decisions are made within the risk appetite set by the board. We will be issuing more guidance during 2016 to assist organisations embark on this journey.

School governance

Education of children is a subject close to the hearts of every parent, relative and member of the community. We launched an essential guide to assist members of non-government school boards to understand and exercise high standards of governance in a climate where the public’s expectations of schools and their commitment to student outcomes have never been higher. Endorsed by the Association of Heads of Independent Schools of Australia (AHISA), the new guide, Adding value to school governance: A practical toolkit for any potential or current member of a school board, was developed by Governance Institute to help current and potential governors and councillors, principals and business managers in the non-government school sector to understand their obligations and make a positive impact on the governance of their schools. AHISA noted that this publication is essential reading and will become a ‘go-to’ reference for every Head and school board member.

Governance principles for the boards of public sector entities in Australia

During the year, Governance Institute also developed Governance principles for the boards of public sector entities in Australia, which do not detract from the governance principles already in place in various jurisdictions, or seek to reinvent the...
good work that they have undertaken. Rather, the focus of our principles is on harnessing and developing common governance principles to enable cohesiveness and consistency focused on community wellbeing, while allowing the Commonwealth, states and territories to tailor directions and actions to flexibly address the priorities of each level of government. At the whole-of-government level, a principles-based governance framework provides consistency for those on the boards of public sector entities in terms of practice and behaviour, and also for those external stakeholders seeking a degree of accountability and transparency in the way in which public money is spent. The principles are designed with a public value proposition in mind. Intended to help public sector entities, their boards and relevant Minister and government departments to build the trust of the community and better the performance of the public sector, the principles will be launched in 2016.

Contributions to the policy debate
This is a sample of our policy and advocacy activities in 2015:

• We pursued the urgent need for reform of the AGM with a principles-based governance framework provides consistency for those on the boards of public sector entities in terms of practice and behaviour, and also for those external stakeholders seeking a degree of accountability and transparency in the way in which public money is spent. The principles are designed with a public value proposition in mind. Intended to help public sector entities, their boards and relevant Minister and government departments to build the trust of the community and better the performance of the public sector, the principles will be launched in 2016.

Contributions to the policy debate
This is a sample of our policy and advocacy activities in 2015:

• After almost a decade of advocacy on the part of Governance Institute — which first brought the issue to the attention of the government and the business community — the bill repealing the ‘100-member rule’ to call a general meeting was passed.
• We responded to the consultation on an industry-funding model for ASIC, calling for more than one option to be put on the table, with details provided of how each model will work and benefit the market, as well as analysis of overseas experiences. We reiterated our support for the three-year funding model for ASIC, pointing to the consensus arising from our public forum that stability of funding is central to ASIC being able to fulfil its functions.
• We pursued the urgent need for reform of the AGM with the government, setting out the benefits of legal change to provide for the electronic delivery of meeting materials; mandating a poll on all resolutions; introducing a permissive clause to provide for direct voting; and introducing online voting as the default position, with the right always provided to members to ask for hard copy.
• Our advocacy for the retention of the Australian Charities and Not-for-Profits Commission (ACNC) — along with others in the NFP sector — was successful, with the government stepping back from its priority of abolishing the regulator. Indeed, just before this report went to press, the government announced it will retain the charities commission — a policy move that was widely welcomed by the sector.
• We were involved in the ongoing discussion about tax reform for the NFP sector, pointing out that tax concessions for this sector are integral to the continuation of the provision of substantial social and economic benefits. We provided feedback on the ACNC’s continually evolving guidance for the sector and worked with both the ACNC and ASIC on the interaction of their registers.
• Although supportive of independent directors on the boards of superannuation funds, after the third draft of the definition of independence in the legislation continued to present problems, we strengthened our call to have the principle of independence enshrined in legislation, but its criteria to be dealt with by a Superannuation Governance Council. The legislation did not pass and a review of governance arrangements has been commissioned by the bodies representing NFP funds.
• We called for a Director Identification Number (DIN) to be introduced, which would allow the regulator and stakeholders to more readily connect who controls companies, but would also replace some of the personal information currently displayed publicly which puts directors at risk of identity theft. Despite a backlash from some sections of the media, which did not understand the risk attached to the current situation or the benefits of the proposed change, we will continue to advocate for this reform.
• We supported ASIC’s ongoing deregulatory initiatives, and provided input on its regulatory guide on collective action by investors which informed the final version.
• We provided feedback on the draft OECD Principles of Corporate Governance. All public policy submissions are available on our website.

Intellectual property
As part of our mission to drive responsible performance in all organisations, we continue to develop a significant body of guidance that is freely available on our website. We developed a range of new Good Governance Guides in 2015, including on the recording and circulation of minutes of directors’ meetings; the use of circular resolutions; creating and disclosing a board skills matrix; pre-appointment checks of non-executive directors; the appointment and reporting lines of the company secretary; board evaluations; due diligence for candidates for public sector boards; delegations of authority; stakeholder engagement (public sector); local governments; and developing policies on delegations of authority and foreign bribery and corruption. We also updated guidance on developing or reviewing a policy on diversity; the operation of the business judgment rule in board minutes; and sound practice in board papers. And at the request of ASIC, we also developed guidance on various issues that had arisen in the 2014 AGM season, such as whether to use a poll or a show of hands for a vote on resolutions; pre-populated voting forms; and adjournment of meetings.

In 2015 we also introduced Governance Institute’s app, which is exclusively available to members and subscribers. It provides for access to a digital version of the journal, Governance Directions, as well as all of our technical booklets.

In recognition of the interaction of governance and risk management, we also developed a new publication, Risk management for directors: A handbook, to help those in a governing role avoid confusion in the responsibilities of those with an oversight role and those with an implementation role. Accessible and to the point, it contains questions that directors can pose to themselves and their management teams about risk management to give them the confidence that they are satisfied that risk is being managed well in the organisation they govern. It will be launched in 2016.
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.

**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.

**Workplace diversity by gender**

**Entire staff**

- **2013**: 27% female, 73% male
- **2014**: 22% female, 78% male
- **2015**: 22% female, 78% male

**Senior management**

- **2013**: 50% female, 50% male
- **2014**: 45% female, 55% male
- **2015**: 45% female, 55% male

**Workplace diversity by age**

- **2015**: <30: 10%, 30–39: 41%, 40–49: 10%, >50: 39%
- **2014**: <30: 12%, 30–39: 44%, 40–49: 10%, >50: 34%

**Staff turnover**

Governance Institute has generally 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. Governance Institute is a small organisation and staff levels fluctuate from year to year. During 2015 staff turnover increased to 36 per cent (15 people). Management is reviewing this.
Remuneration

Remuneration for all staff is comprised of a combination of guaranteed and performance-based remuneration where performance-based remuneration can range from approximately five 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.

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. In 2015, one third of the members of state councils were female.

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 2015 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 2015 the Chief Executive managed a review of all the human resource policies, including staff training, and launched a staff self-development career program linked to Governance Institute’s Performance Development program.
Profiles of Governance Institute members

George S Dakis AGIA
Director, Audit & Assurance, and Chairman of the Audit & Assurance Committee, Moore Stephens Australia

George is a specialised audit and assurance partner with a leading mid-tier firm, Moore Stephens. His expertise includes external audit, corporate governance, risk management, financial reporting and process improvement.

In October 2015, George was appointed the Chairman of the Moore Stephens Audit & Assurance Committee. George is focused on growing audit and assurance service offerings to reflect the changing needs of the economy, investors and key stakeholders, front of mind being corporate governance and risk management services to the SME market.

George has over 20 years of domestic and international experience providing advice to a range of industries, namely health and aged care, property and construction, education, technology, fund management and biotechnology.

George holds a Master of Finance and Accounting from the RMIT, is a registered company auditor, a company director and a member of Chartered Accountants Australia and New Zealand and the Risk Management Institute of Australasia.

Francesca Dickson AGIA
Group Risk Manager, The BPAY Group

Francesca is responsible for BPAY’s enterprise risk and compliance framework, crisis management and business continuity plans, insurance program and policy framework.

She is also the Assistant Company Secretary for BPAY Group companies and Company Secretary for a banking joint venture company run by BPAY.

In her role, Francesca is focused on promoting risk culture and embedding risk management within operations, technology projects and strategy development.

Francesca joined BPAY in 2007 and held roles in governance, compliance, contract management and company secretarial before being appointed as the Group Risk Manager in 2014.

Francesca is a qualified Chartered Secretary and an Associate of Governance Institute. She is a member of the Corporate and Legal Issues Committee — a committee of Governance Institute’s Board, and a participant on a Governance Institute risk management working group.

Francesca is also a Certified Insurance Professional (CIP) and a Senior Associate of the Australian and New Zealand Institute of Insurance and Finance.

Elizabeth Hunt AGIA(Cert)
Managing Director & CEO, Mining Corporate Pty Ltd

Elizabeth has drawn from over fifteen years of corporate advisory and accounting experience to develop Mining Corporate, which provides services to a broad range of clients and industries. Elizabeth’s knowledge includes IPO and backdoor listing management, governance and risk, company secretarial matters, ASX listing requirements, ASIC and other statutory reporting requirements, and financial accounting and reporting.

In her role at Mining Corporate, Elizabeth is a director and/or company secretary of a number of ASX listed and private entities.

As well as being a Certificated member of Governance Institute, Elizabeth holds a BSc degree in Sustainable Development (Murdoch University), and a Master of Accounting (Curtin University).

Mining Corporate supports ASX listed entities and unlisted public and private companies, and in particular their boards, with the identification and management of emerging corporate governance requirements, risk management recommendations and legislative changes.
Irene Sitton AGIA
Program Co-ordinator, Department of Justice and Attorney-General, Queensland

Irene has broad-based governance, risk, assurance and commercial advisory experience across a range of industries in both the private and public sector. Irene began her career in audit and advisory services with Price Waterhouse, but in recent years has devoted her energy to the public sector.

At the Department of Justice and Attorney-General she currently is focused on the portfolio impacts of digital disruption and the transformative effects of technology on shaping service delivery and the customers’ experience. She oversees the department’s governance arrangements for the ‘One-Stop Shop program’.

Irene holds a Master of Business Administration (Executive), Bachelor of Laws and Bachelor of Commerce from the University of Queensland, a Master of Applied Finance from Macquarie University and a Graduate Diploma in Company Secretarial Practice from Governance Institute of Australia.

She is both a Chartered Accountant and Chartered Secretary. Irene serves on the Queensland Council of Governance Institute and is a member of its Public Sector Governance Committee. Irene also is an adjudicator of the Public Sector Governance Prize sponsored by Governance Institute for the Australasian Reporting Awards.

Diane Smith-Gander FGIA
Chairman, Broadspectrum Limited

Diane is Chairman, Broadspectrum Limited, a non-executive director of Wesfarmers, and a Chairman of Safe Work Australia, a think tank focused on making Perth more livable. Diane is a past deputy chairperson of NBNCo, a past non-executive director of the CBH Group and a past commissioner of Tourism WA — the government agency charged with the development of WA’s tourism industry.

Diane has been active in sports administration and is a past chairman of Basketball Australia Limited, the sport’s peak body, and past chairperson of the Australian Sports Drug Agency, the government agency responsible for deterring the use of performance-enhancing drugs.

Diane holds an MBA from the University of Sydney and a BEc from the University of Western Australia (UWA). In 2015 she was awarded an Honorary Doctorate of Economics from UWA. She is a Fellow of Governance Institute of Australia and an adjunct professor of corporate governance at UWA where she serves on the advisory board of the Business School. A frequent commentator on diversity issues, Diane is President of Chief Executive Women. She is a Council member of Perth’s Methodist Ladies College.

Tim Timchur FGIA
Managing Director, 365 Architech

Tim is a Chartered Secretary, Fellow Certified Practising Accountant and Certified Practising Marketer with a passion for aligning strategy, risk management, governance and technology.

He is the Managing Director of 365 Architech, a technology company that partners with its clients to realise the benefits of cloud, big data, mobility and social computing.

Tim is actively involved with numerous membership organisations and is a regular presenter at Governance Institute events as well as lecturing in short courses and postgraduate governance subjects. He serves on the Queensland Council of Governance Institute and is a member of Governance Institute’s Corporate and Legal Issues Committee.

Tim has wide-ranging experience across the mining, aviation, professional services, information technology, aged care, town planning and engineering industries.
Governance Institute national executive

**Steven Burrell**
Chief Executive

Steven Burrell was appointed as the new Chief Executive of Governance Institute of Australia in September 2015.
Steven was formerly the General Manager of Communications and Public Affairs at the Australian Institute of Company Directors (AICD).
He was previously a leading journalist, columnist and editor at the Australian Financial Review, where he was Economics Editor and Deputy Editor, and the Sydney Morning Herald, where he was Deputy Editor, National Affairs Editor and Business Editor. Over a 25 year journalism career he won both a Walkley Award and the Pan Asian Journalist of the Year Award.
Earlier in his career he was a policy adviser at the Federal Treasury and Australian Bureau of Statistics.
Steven holds a Bachelor of Economics degree from the University of Sydney and is a graduate of the General Management Program at the Melbourne Business School Mt Eliza.

**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 has been 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. Judith advocates for sound regulatory frameworks in governance and corporate law, develops thought leadership papers and guidance, and conducts research on Australian governance and risk management practice. With Governance Institute members, she develops substantive policy statements in these areas in the private, public and not-for-profit sectors.
She also has responsibility for stakeholder, government and media relations for the Institute, as well as Governance Institute’s publishing arm.
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 was recognised for her work in public policy in the 2014 Australian Financial Review and Westpac 100 Women of Influence Awards.
Stan Jodeikin FGIA  
Company Secretary/National Director, Finance & Administration

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 Waterhouse  
National Director, Marketing & Membership Services

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

She has contributed significantly to expand the organisation’s educational and networking opportunities to governance and risk management professionals and raise the profile of the Institute.

During 2015, Rachel continued to promote the postgraduate risk management courses to new markets and increased the enquiries received from prospective students.

She also increased Governance Institute’s social media presence and oversaw the development of the digital strategy: to attract new members; retain existing members; and sell more products and services.

Rachel holds a Bachelor of Business degree from the University of Newcastle and is a graduate of the Master of Business Administration (MBA) Executive from The Australian Graduate School of Management (AGSM) at the University of NSW Business School.

Stephen Wright  
National Director, Education & Training

Stephen joined Governance Institute as National Director, Education & 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 meet international obligations. Two of these postgraduate qualifications were introduced 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

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 ensuring that ‘current members and aspiring chartered secretaries, governance advisers and risk managers are provided with the best education and support to enhance their professional standing’.

Broadly this involves the development and management of the state strategic business plan and subsequent marketing activities to promote Governance Institute and its services. Together with their state teams, this includes marketing and delivery of postgraduate courses, as pathways to membership, and 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.

Lea Rushton  |  Regional Director, NSW & ACT
Lea joined Governance Institute in 2015. Lea holds a Bachelor of Arts (Psychology) and a Graduate Diploma in Applied Psychology (Counselling). Prior to joining Governance Institute, Lea owned her own businesses. She has worked as a management consultant in the IT industry; as a senior manager of events and exhibitions with Austrade; and at CPA Australia, LexisNexis and the Australian Institute of Company Directors in the areas of CPD events and education. Lea has also held a director position on a not-for-profit board.
Member milestones

President's Award 2015
The President’s Award is presented to a member who, in the opinion of the Board, has made a substantial contribution to the work of Governance Institute.

Christopher O’Meara FGIA ....................... QLD

Life members 2015
The Board inducts Life members of Governance Institute to recognise their lasting impact on the direction or status of Governance Institute.

Tim Sheehy FGIA(Life) .......................... NSW
Lawrence Tutton FGIA(Life) ..................... VIC

Members who have attained Fellowship
The Board congratulates members who were elected to or advanced to Fellowship during 2015.

Elected Fellows
Benjamin Arnold ........................ WA
Kane Blackman ........................ WA
Angela Blair ................................. SA
Stephen Byrne ............................ NSW
David Callanan ............................ QLD
Kevin Casey ............................... QLD
Alberto Colla ............................... VIC
Julie Crisp ................................. SA
Jillian Disant ............................... VIC
Bruce Galbraith ............................ QLD
Belinda Gibson ............................. NSW
Paul Grey ........................................ VIC
Christopher Hansen ....................... VIC
Timothy Hart ............................... VIC
Ka Fai Jack Ho ............................ VIC
Tracey Horton .............................. VIC
Elizabeth Hourigan ....................... VIC
Louise Lane ................................. NSW
Fiona Last ................................. VIC
Kathryn Laurie ............................. NSW
Ju Yeon Lee ................................. NSW
Amanda Luhmann .......................... NSW
Emma Mason-Fornazaric .......... WA
Robert Maurich ............................. WA
Mark McEnally ............................ NSW
Philip Meredith ............................ NSW
Matthew Mueller ........................... WA
Trevor O’Connor ............................. WA
Anubis Pacifico .............................. SA
Edward Ponraj .............................. NSW
Rohan Purdy ................................. NSW
Karen Roe .................................... VIC
Christian Santagatiuliana ............................ QLD
Roger Shawel .............................. NSW
Peter Sinnott ............................... QLD
Eva Skira ................................. WA
Lynette Stokes .............................. QLD
Barry Stone ................................. QLD
Bruce Taylor ............................... NSW
Julie Tealby ................................. QLD
Jevon Turner ............................... QLD
Geoffrey Walsh ............................. VIC
Jason West ................................. QLD
Paul White ................................. VIC
Jonathan Whitham ........................... QLD
Prudence Willsford ....................... VIC

Advancement to Fellow
Samantha Aveling ........................ VIC
Karesse Biggs .............................. QLD
David Blair ................................. NT
Issy Burney ................................. QLD
Sheila Choi ................................. NSW
Gus Clelland ............................... VIC
Louise Edwards ............................. QLD
Shay Elkington .............................. VIC
Pauline Gulleford .......................... NSW
Stephen Harris ............................. VIC
Ralph Kahn ................................. NSW
Ross Kennedy ............................. VIC
Moti Kshirsagar ............................. VIC
Wendy Lee ................................. NSW
Leo Leung ................................. NSW
Blair Lucas ................................. VIC
James Lynch ................................. WA
Brian Maher ............................... VIC
Malcolm Matthews ......................... TAS
Hugh Murphy ............................. NSW
Darren O’Connell ........................... NSW
Kirilii Parker ............................... NSW
Bruce Paterson ............................. VIC

Advancement to Fellow
Nigel Purves ............................... QLD
Margaret Pynchia ........................ WA
Jeffrey Rigby ............................... VIC
Ellen Ross ................................. NSW
Ed Tarrant ................................. NSW
Sarah Thornton ............................ QLD
Daniel Tirado .............................. NSW
Robert Turnbull ........................... VIC
Fiona White ............................... NSW
Kate Williams ............................. VIC
Troy Williams ............................. WA
Alan Wright ............................... WA
Berdette Zolezzi ........................... NSW

Continuous membership
Governance Institute congratulates the following members who achieved milestones for continuous membership in 2015.

50 years
New South Wales
- Marjorie Bayliss AGIA
- Philip Benson AGIA
- Ronald Burgess AGIA
- George Hampton AGIA
- Wilfred Heber AGIA
- Ron Ihnen AGIA
- Robert Johnson FGIA
- William Lawrence FGIA
- Alexander Lee AGIA
- Paul Logue AGIA

South Australia
- John Conley FGIA
- Reg Read FGIA

Victoria
- Bruce Bartrop FGIA
- Henry Boyle AGIA
- Walter Elias AGIA
- Kenneth Evans AGIA
- Peter Garfirth FGIA
- Barry Gilbert FGIA
- Donald Halliwell AGIA
- Dieter Krusic-Golub FGIA

Western Australia
- Ewin Armstrong AGIA
- Daniel Carney AGIA
- Margaret French AGIA
- Frank Oliver FGIA

Overseas
- Michael Mayberry AGIA

Governance Institute of Australia Ltd Annual Report 2015 | Page 23
25 years
Australian Capital Territory
Kirk Alber FGIA

New South Wales
Michael Adams FGIA(Life)
Warren Au Wai Hon AGIA
Greg Ballard AGIA
Alan Barnes FGIA
Robert Baulderstone FGIA
Frank Benito De Valle FGIA
Russell Black AGIA
Christopher Chapman FGIA
Vijay Chetty AGIA
Sheila Choi FGIA
Michael Chow AGIA
Lawrie Croft AGIA
Cheryn Croker AGIA
Robert Davies FGIA
Lawrie Croft AGIA
Malcolm Forbes AGIA
Neil Gillies AGIA
Stuart Grant AGIA
David Hundy AGIA
Michael Hutt FGIA
Binu Katari FGIA
Hoe Khor AGIA
Tony Khoury FGIA
Richard Koo AGIA
Rosalie Lund-Conlon FGIA
Mark Freeman AGIA
Chris Marshall FGIA

South Australia
Selvaraj Abraham FGIA
Michael Amey AGIA
John Barner FGIA
Michael Gray AGIA
Eben Jebamoney AGIA
Matthew Loftes AGIA
John Morton FGIA
Lawrence Ng Yuen Kuan FGIA
Peter Robertson FGIA

Tasmania
Roger Valentine OAM, FGIA

Victoria
Fred Ackland AGIA
Raymond Barro FGIA
Ong Bee AGIA
David Blanchard FGIA
Peter Bolitho AGIA
Roger Butter FGIA
Juliann Byron AGIA
Subhash Chauhan FGIA
Manfred Claasz AGIA
Brian Clarke AGIA
Peter Coughlin FGIA
Murray Cowdell AGIA
Rodney Davidson FGIA
John Denman FGIA
Terry Gaven AGIA
Ken Graham FGIA
Frederick Grimwade FGIA
Chrisanthi Halliday AGIA
John Higginbotham FGIA
Peter Howells FGIA
Ashok Kapoor AGIA
Paul Kerr AGIA
Gillian Kinder AGIA
Gregory Lay AGIA
Stephen Mason FGIA

Western Australia
Amy Cheah AGIA
Peter Evans FGIA
Clifford Kyle FGIA
Bill Linden FGIA
Ian Magee AGIA
Gavin Miller AGIA
Jon Ockwell AGIA
Agnes Ong AGIA
James Segedin AGIA
Brenton Sivour AGIA
Doug Spinley FGIA
Colin Swan AGIA
Anthony Whelan AGIA

Northern Territory
Mark Hurley AGIA

Queensland
Colin Andersen AGIA
Jim Boyd FGIA
Simon Brodie AGIA
Raymond Byers FGIA
Peter Carter FGIA
Ralph Coles FGIA
Michael Denton AGIA
Ian Hiley FGIA
Barry Jardine FGIA
Tom Jolley AGIA
Maria Manning FGIA
John Paine AGIA
Mark Thiel FGIA
John Wild FGIA

Overseas
Raymond Chen FGIA
Man Cheng Man Fung FGIA
Bryan Fowler FGIA
Peter Mahony FGIA
Chun Ng AGIA
Ken Nordahl AGIA
Terence Wa-hing AGIA
At year’s end, members and subscribers totalled 7,713, covering the following disciplines:

Diversity of professional responsibilities of members

- Governance, risk management and compliance: 42%
- Accounting/finance and auditing: 12%
- Legal responsibility: 11%
- Workplace relations: 10%
- Corporations law (including ASX Listing Rules): 8%
- Insurance and superannuation: 6%
- Taxation: 2%
- Intellectual property: 2%
- IT: 2%
- Property: 2%

Members by state

- NSW/ACT: 41%
- VIC: 24%
- WA: 14%
- QLD: 13%
- SA/NT: 5%
- Overseas: 2%
- TAS: 1%

- Other: 5%
Directors’ report

Your Directors present this report on the company for the financial year ended 31 December 2015.

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, and influencing, all stakeholders; and fostering a culture and values that ensures it is sustainable.

The company’s short-term objective will be to focus on its 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 surplus from ordinary activities of $133,549 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 $4,012,286.

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.

Total revenue for the year amounting to $9,693,077 primarily came from member and subscriber fees 28.5 per cent; postgraduate courses 27.7 per cent; short courses, Certificates and publications 37.4 per cent; sponsorship 4.9 per cent; investment income 0.8 per cent; and other income for services 0.7 per cent.

Total expenditure for the year amounting to $9,559,528 was primarily on direct costs for short courses, Certificates and publications 12.4 per cent; direct costs for postgraduate courses 8.7 per cent; profile-raising activities and website maintenance 5.1 per cent; international activities 2.0 per cent; payroll 52.3 per cent and governance and administration 19.5 per cent.
**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 at the date of this report are Warren Baillie FGIA, Alan Evans FGIA, Garth Fountain-Smith FGIA, Andrew Horne FGIA, Andrew Leake FGIA, John Mazengarb FGIA, Trisha Mok FGIA, Rachel Rees FGIA, Simon Pordage FGIA, Peter Turnbull 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.

**Directors**

**Warren Baillie** LLB, BCom, GradDipCSP, FGIA, FCIS, MAICD (appointed 12.1.11) — Extensive experience in company secretarial practice and corporate governance, and corporate and commercial law, both in the corporate sector and the NFP sector. Currently Company Secretary of Woodside Energy Ltd. Also a non-executive director of Blackswan Health Ltd.

**Alan Evans** BBus (Law), 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 Tasmania Council and 2014 National President and Chair of Governance Institute of Australia Ltd.

**Garth Fountain-Smith** LLB, GradCertLegPrac, GradDipACG, FGIA, FCIS, MAICD (appointed director 31.1.16) — Lawyer and director of Fountain-Smith, Lawyers and Governance. Corporate lawyer nearing 20 years’ standing — in-depth experience includes, company law, directors’ duties, regulatory and enforcement law across business and financial services sectors and professional conduct matters. Extensive regulatory experience as a lawyer and manager with ASIC. Chairman and non-executive director National Confectionery Wholesalers Ltd 2009–2013 in combination of appointment. Fellow of Governance Institute of Australia, Chairman of its Corporate Law Issues Committee 2014–2016. Deputy Chair of Victoria Council. Garth lectures for Governance Institute in its Certificated courses and has co-authored numerous Good Governance Guides. Executive management experience as director, chief operating officer and general counsel in the information technology sector. Former journalist in radio and television.

**Andrew Horne** BLegS, GradDipLegPrac, GradDipCSP, FGIA, FCIS (appointed 21.1.10) — Experienced in company secretarial practice, corporate and commercial law, risk management and compliance systems. Practising solicitor and corporate governance professional. Previously Group Company Secretary of ASX100 GrainCorp Ltd until June 2014 and General Counsel and Group Company Secretary of ASX listed Thakral Holdings Ltd. Past course director for the Corporate Accountability: Meetings and Disclosure module of Governance Institute’s Graduate Diploma of Applied Corporate Governance. Member since February 2007 and past Chair of the NSW Council. Senior Vice-President and member of various Committees. Director of Governance Institute subsidiary companies.

**Andrew Leake** BEd, GradDipACG, FGIA, FCIS, CA (appointed 1.1.16) — A senior business leader with extensive experience in business consulting, corporate finance, publishing, education, NFP, governance and secretarial practice. His has an executive role in the leadership team of a leading Sydney school for girls and is a member of Governance Institute’s NSW State Council. He is the director of the Winston Churchill Memorial Trust and chairs the NSW selection process of the Trust.
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. Executive Director, GSD Advisors Pty Ltd; non-executive director, Mafematica Pty Ltd; 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 Tasmania State Council since 2009 and current Chair of the Tasmania Council since 2013.

Trisha Mok BCom, LLB (Hons), GradDipACG, FGIA, FCIS, MAICD (appointed 4.6.09) — Experienced in company secretarial practice, corporate governance, commercial and corporate law. Currently Oceania Corporate Secretarial Services Leader at Ernst & Young. Chair of Governance Institute of Australia Ltd’s Remuneration Committee for 2014. 2015 National President and Chair Governance Institute of Australia Ltd. Current member of the Board Executive, Communications and Remuneration Committees. Director of Governance Institute subsidiary companies.

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 Ltd and three other listed investment companies since 2009. Formerly Deputy Company Secretary of Australia & New Zealand Banking Group Ltd. 2016 National President and Chair Governance Institute of Australia Ltd. Member of Legislation Review Committee since 2005, Chair of Remuneration Committee for 2015. Member of Victorian Council. Author/co-author of a number of Governance Institute of Australia Ltd’s publications. Director of Governance Institute subsidiary companies.

Rachel Rees BBus, GradDipACG, FGIA, FCIS, 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 – 31.12.15) — 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 Ltd. Australian Division President and Chair of the Board of Governance Institute of Australia Ltd 2012. Director of Governance Institute subsidiary companies until 11.04.15.

Peter Turnbull BCom, LLB, FGIA, FCIS, FIA (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 Energetx. Currently the chairman 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 since 2014.

John Williamson BA, LLB, FGIA, FCIS, FAusIMM, MAICD (appointed 15.2.12 – 31.12.15) — 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) — Qualified accountant and senior manager with experience in governance, financial management, human resources, industrial relations, risk and compliance in the not-for-profit and education sectors. Business Director at Pembroke School, South Australia since 2000 with previous experience in multimedia, government, finance and consulting. Australian Division President and Chair of the Board of Governance Institute of Australia Ltd 2013. Director of Governance Institute subsidiary companies until 09.04.15. Current member of SA/NT Council and Education Committee.

David Callanan LLB, FGIA, FCIS, CRMA, GAICD (appointed 1.01.16 – 13.1.16) — Resigned to pursue an international career opportunity.

Douglas Gration BSc, LLB (Hons), FGIA, FCIS (appointed 1.1.09 – 31.12.14) — And Director of Governance Institute subsidiary companies until 9.4.15.

From left: Warren Baillie, Trisha Mok, Andrew Leake
Directors’ interests and benefits

As Governance Institute is 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 27–28. 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. The company did not execute any deeds of indemnity, insurance and access agreements during the year.

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 2015 attendance by individual Directors (including when represented by alternates) at meetings they were entitled to attend, was as set out in the table below.

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>73%</td>
</tr>
<tr>
<td>Women</td>
<td>78%</td>
<td>55%</td>
<td>27%</td>
</tr>
</tbody>
</table>

<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 Baille</td>
<td>5 of 6</td>
<td>4 of 5</td>
</tr>
<tr>
<td>Alan Evans</td>
<td>5 of 6</td>
<td>3 of 5</td>
</tr>
<tr>
<td>Andrew Horne</td>
<td>6 of 6</td>
<td>5 of 5</td>
</tr>
<tr>
<td>John Mazengarb</td>
<td>6 of 6</td>
<td>–</td>
</tr>
<tr>
<td>Trisha Mok</td>
<td>6 of 6</td>
<td>4 of 5</td>
</tr>
<tr>
<td>Simon Pordage</td>
<td>6 of 6</td>
<td>–</td>
</tr>
<tr>
<td>Rachel Rees</td>
<td>4 of 6</td>
<td>3 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>5 of 6</td>
<td>–</td>
</tr>
<tr>
<td>John Williamson</td>
<td>5 of 5</td>
<td>3 of 3</td>
</tr>
<tr>
<td>Wendy Wills</td>
<td>6 of 6</td>
<td>5 of 5</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.

Auditors’ independence declaration

The Auditors’ independence declaration is set out on page 45 and forms part of the Directors’ report for the financial year ended 31 December 2015.

Directors’ signatures

Simon Pordage FGIA
Chair

Warren Baillie FGIA
Director

Andrew Horne FGIA
Director

Andrew Leake FGIA
Director

Rachel Rees FGIA
Director

Peter Turnbull FGIA
Director

Alan Evans FGIA
Director

John Mazengarb FGIA
Director

Trisha Mok FGIA
Director

Wendy Wills FGIA
Director

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

SYDNEY, 5 March 2016
## Financial report

### Statement of comprehensive income for the year ended 31 December 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015 $</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>9,693,077</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>3</td>
<td>(335,331)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>3</td>
<td>(9,224,197)</td>
</tr>
<tr>
<td>ICSA structural reform</td>
<td>3</td>
<td>(4,246)</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit) before income tax expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>133,549</td>
<td>(324,488)</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>1(e)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit) after income tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>133,549</td>
<td>(324,488)</td>
</tr>
<tr>
<td><strong>Net gain on disposal of asset</strong></td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit) attributable to members</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>133,549</td>
<td>(324,407)</td>
</tr>
<tr>
<td><strong>Other comprehensive income for the year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive surplus/(deficit) for the year attributable to members</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>133,549</td>
<td>(324,407)</td>
</tr>
</tbody>
</table>

### Statement of financial position as at 31 December 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015 $</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7</td>
<td>2,834,057</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>8</td>
<td>175,786</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>447,221</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,457,064</td>
<td>3,356,700</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>10</td>
<td>3,312,079</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>11</td>
<td>587,430</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,899,509</td>
<td>3,790,689</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7,356,573</td>
<td>7,147,389</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>12</td>
<td>578,315</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>13</td>
<td>2,248,002</td>
</tr>
<tr>
<td>Provisions</td>
<td>14(a)</td>
<td>398,128</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,224,445</td>
<td>3,157,403</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>14(b)</td>
<td>119,842</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>119,842</td>
<td>111,249</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,344,287</td>
<td>3,268,652</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,012,286</td>
<td>3,878,737</td>
</tr>
<tr>
<td><strong>Members' funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>4</td>
<td>763,033</td>
</tr>
<tr>
<td>Retained surplus</td>
<td>5</td>
<td>3,249,253</td>
</tr>
<tr>
<td><strong>Total members' funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,012,286</td>
<td>3,878,737</td>
</tr>
</tbody>
</table>
### Statement of changes in members’ funds for the year ended 31 December 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015 ($)</th>
<th>2014 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening balance</strong></td>
<td>3,878,737</td>
<td>4,203,144</td>
</tr>
<tr>
<td><strong>Transfer net gain on disposal of asset</strong></td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td><strong>Surplus recognised directly in members’ funds</strong></td>
<td>-</td>
<td>81</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit) from ordinary activities</strong></td>
<td>133,549</td>
<td>(324,488)</td>
</tr>
<tr>
<td><strong>Total recognised surplus/(deficit) and expenses for the year attributable to the members</strong></td>
<td>133,549</td>
<td>(324,407)</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>4,012,286</td>
<td>3,878,737</td>
</tr>
</tbody>
</table>

### Statement of cash flows for the year ended 31 December 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015 ($)</th>
<th>2014 ($)</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>3,244,677</td>
<td>2,936,063</td>
</tr>
<tr>
<td>Receipts from courses and other activities</td>
<td>7,074,637</td>
<td>6,330,686</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(10,063,666)</td>
<td>(9,332,911)</td>
</tr>
<tr>
<td>Interest received</td>
<td>80,408</td>
<td>88,255</td>
</tr>
<tr>
<td>GST paid</td>
<td>(34,341)</td>
<td>48,434</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>301,715</td>
<td>70,527</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>(57,075)</td>
<td>(163,560)</td>
</tr>
<tr>
<td>Payments for intangible assets</td>
<td>(387,076)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(444,151)</td>
<td>(163,560)</td>
</tr>
<tr>
<td><strong>Net decrease in cash held</strong></td>
<td>(142,436)</td>
<td>(93,033)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>2,976,493</td>
<td>3,069,526</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>2,834,057</td>
<td>2,976,493</td>
</tr>
</tbody>
</table>
Notes to the financial statements for the year ended 31 December 2015

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 5 March 2016.

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 (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.

(ii) Development expenditure

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, 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</td>
<td>10% – 33.33%</td>
</tr>
<tr>
<td>office equipment</td>
<td></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 and customer relationship management system 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
Camfam Corp P/L 2009 Financial Statements

Amortisation methods, useful lives and residual values are arising from services rendered by employees to balance date.

(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:

<table>
<thead>
<tr>
<th>Capitalised website development costs</th>
<th>5 years</th>
</tr>
</thead>
</table>

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.

(k) Financial instruments
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 27–28.

<table>
<thead>
<tr>
<th>2. Revenue</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member and subscriber fees</td>
<td>2,764,827</td>
<td>2,699,304</td>
</tr>
<tr>
<td>Postgraduate courses</td>
<td>2,682,274</td>
<td>2,657,275</td>
</tr>
<tr>
<td>Short courses and Certificate courses</td>
<td>3,532,474</td>
<td>3,009,638</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>477,600</td>
<td>371,058</td>
</tr>
<tr>
<td>Interest</td>
<td>80,408</td>
<td>88,255</td>
</tr>
<tr>
<td>Other income</td>
<td>69,067</td>
<td>78,915</td>
</tr>
<tr>
<td>Publications, journal and merchandise</td>
<td>86,427</td>
<td>26,018</td>
</tr>
<tr>
<td>Total revenue</td>
<td>9,693,077</td>
<td>8,930,463</td>
</tr>
</tbody>
</table>
3. Surplus from ordinary activities

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

Expenses

Depreciation and amortisation of non-current assets

<table>
<thead>
<tr>
<th>Item</th>
<th>2015 $</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>16,865</td>
<td>16,865</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>98,582</td>
<td>154,860</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>69,098</td>
<td>73,151</td>
</tr>
<tr>
<td>Website</td>
<td>150,786</td>
<td>148,842</td>
</tr>
<tr>
<td><strong>Total depreciation and amortisation of non-current assets</strong></td>
<td><strong>335,331</strong></td>
<td><strong>393,718</strong></td>
</tr>
</tbody>
</table>

Personnel                          | 4,619,973 | 4,350,130 |
Superannuation contributions        | 376,553   | 368,992   |
ICSA, UK — capitation fee           | 109,352   | 91,172    |
Rental expenses on operating leases | 418,913   | 428,487   |
Occupancy and state facilities      | 166,928   | 170,991   |
Auditor’s remuneration              |          |          |
Audit                               | 26,000    | 25,000    |
Other services                      | 1,400     | 1,451     |
Rebranding expenses                 |          | -10,175   |
Other expenses from ordinary activities |         | 3,505,078|
**Total other expenses**            | **9,224,197** | **8,856,987** |

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. | -4,246 |

Expenses from non-operating activities

<table>
<thead>
<tr>
<th>Item</th>
<th>2015 $</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net gain on disposal of assets</td>
<td>-</td>
<td>81</td>
</tr>
</tbody>
</table>

4. Reserves

<table>
<thead>
<tr>
<th>Item</th>
<th>2015 $</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital surplus reserve</td>
<td>745,933</td>
<td>745,933</td>
</tr>
<tr>
<td>Works of art revaluation reserve</td>
<td>17,100</td>
<td>17,100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>763,033</strong></td>
<td><strong>763,033</strong></td>
</tr>
</tbody>
</table>

5. Retained surplus

<table>
<thead>
<tr>
<th>Item</th>
<th>2015 $</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained surplus at beginning of the year</td>
<td>3,115,704</td>
<td>3,440,111</td>
</tr>
<tr>
<td>Surplus/(Deficit) for the year</td>
<td>133,549</td>
<td>(324,407)</td>
</tr>
<tr>
<td><strong>Retained surplus at the end of the year</strong></td>
<td><strong>3,249,253</strong></td>
<td><strong>3,115,704</strong></td>
</tr>
</tbody>
</table>
### 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 postgraduate courses, short courses and Certificates, exam moderation and author fees:

<table>
<thead>
<tr>
<th>Name</th>
<th>2015 $</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas Gration</td>
<td>-</td>
<td>250</td>
</tr>
<tr>
<td>Andrew Horne</td>
<td>300</td>
<td>600</td>
</tr>
<tr>
<td>Simon Pordage</td>
<td>650</td>
<td>1,500</td>
</tr>
<tr>
<td>Bill te Kloot</td>
<td>1,800</td>
<td>1,350</td>
</tr>
<tr>
<td></td>
<td>2,750</td>
<td>3,700</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>2015 $</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary and bonuses</td>
<td>2,106,629</td>
<td>1,737,905</td>
</tr>
<tr>
<td>Superannuation contribution</td>
<td>171,466</td>
<td>170,336</td>
</tr>
<tr>
<td>Long service leave provision</td>
<td>388,329</td>
<td>353,978</td>
</tr>
<tr>
<td><strong>Total compensation</strong></td>
<td>2,666,424</td>
<td>2,262,219</td>
</tr>
</tbody>
</table>

### 7. Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2015 $</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>800</td>
<td>800</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>342,870</td>
<td>286,137</td>
</tr>
<tr>
<td>Cash on deposit</td>
<td>2,490,387</td>
<td>2,689,556</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents</strong></td>
<td>2,834,057</td>
<td>2,976,493</td>
</tr>
</tbody>
</table>

### 8. Trade and other receivables

**Current**

<table>
<thead>
<tr>
<th></th>
<th>2015 $</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>175,786</td>
<td>95,100</td>
</tr>
<tr>
<td><strong>Total trade and other receivables</strong></td>
<td>175,786</td>
<td>95,100</td>
</tr>
</tbody>
</table>

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

### 9. Other assets

**Current**

<table>
<thead>
<tr>
<th></th>
<th>2015 $</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>384,388</td>
<td>285,107</td>
</tr>
<tr>
<td>Prepaid ICSA capitation fee</td>
<td>62,833</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>447,221</td>
<td>285,107</td>
</tr>
</tbody>
</table>
## 10. Property, plant and equipment

### Non-current

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building</strong></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>571,071</td>
</tr>
<tr>
<td>Less: accumulated depreciation and amortisation</td>
<td>(710,196)</td>
<td>(624,233)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,960,875</td>
<td>3,046,838</td>
</tr>
<tr>
<td><strong>Computer system, furniture and office equipment at cost</strong></td>
<td>1,739,519</td>
<td>1,682,445</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(1,411,779)</td>
<td>(1,313,197)</td>
</tr>
<tr>
<td><strong>Works of art at valuation</strong></td>
<td>23,464</td>
<td>23,464</td>
</tr>
<tr>
<td><strong>Total property, plant and equipment</strong></td>
<td>3,312,079</td>
<td>3,439,550</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, FREI, 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 2015.

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.
11. Intangible assets

Website development costs
Balance at the beginning of the year 744,208 744,208
Acquisitions — developed during the year 10,000 -
Less: accumulated depreciation and amortisation (543,854) (393,069)
Balance at end of year 210,354 351,139

Customer relationship management system
Balance at beginning of year - -
Acquisitions — developed during the year 377,076 -
Less: accumulated depreciation and amortisation - -
377,076 -

Total intangible assets 587,430 351,139

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.

Customer relationship management system
During the current year the company began development of a new customer relationship management system. The customer relationship management system is expected to be launched during the third quarter of 2016, at which time the intangible asset will be considered ready for use. Amortisation will commence from that time.

Movement in the carrying amounts for each class of intangibles between the beginning and the end of the current financial year.

<table>
<thead>
<tr>
<th></th>
<th>Website development costs $</th>
<th>Customer relationship management system project $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>351,139</td>
<td>-</td>
<td>351,139</td>
</tr>
<tr>
<td>Additions (net of disposals)</td>
<td>10,000</td>
<td>377,076</td>
<td>387,076</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(150,785)</td>
<td>-</td>
<td>(150,785)</td>
</tr>
<tr>
<td><strong>Carrying amount at end of the year</strong></td>
<td><strong>210,354</strong></td>
<td><strong>377,076</strong></td>
<td><strong>587,430</strong></td>
</tr>
</tbody>
</table>

12. Trade and other payables

Current
Trade creditors and accruals 451,257 417,113
Net GST liability (33,561) (19,494)
Accrued ICSA capitation fee - 27,307
Payroll and PAYG tax payable 133,180 138,616
Fringe benefits tax payable 13,231 11,471
Brisbane premises new lease abatement 14,208 16,792
578,315 591,805

13. Deferred revenue
Subscriptions and fees in advance 2,248,002 1,872,359

(a) Current

| Provision for employee short-term entitlements | $183,174 | $330,337 |
| Provision for long service leave              | $214,954 | $362,902 |

(b) Non-current

| Provision for long service leave | $79,800 | $59,581 |
| Brisbane premises new lease abatement      | $40,042 | $51,668 |

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$398,128</td>
<td>$693,239</td>
</tr>
</tbody>
</table>

Average number of full-time equivalent employees

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>39.8</td>
<td>40.7</td>
</tr>
</tbody>
</table>

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 | $426,623 | $480,200 |
| Later than one but not later than five years | $737,383 | $736,721 |
| Total | $1,164,006 | $1,216,921 |

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 loss of $1,157, (2014 surplus of $1,930), had been accounted for.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrealised foreign exchange translation loss</td>
<td>$109,352</td>
<td>$91,172</td>
</tr>
</tbody>
</table>

(ii) Three directors, as disclosed in Directors’ report on pages 27–28, 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>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and on hand</td>
<td>343,670</td>
<td>286,937</td>
</tr>
<tr>
<td>Cash on deposit</td>
<td>2,490,387</td>
<td>2,689,556</td>
</tr>
<tr>
<td></td>
<td>2,834,057</td>
<td>2,976,493</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>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net surplus/(deficit) from ordinary activities after income tax</td>
<td>133,549</td>
<td>(324,407)</td>
</tr>
<tr>
<td>Non-cash flows in surplus from ordinary activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>335,331</td>
<td>393,718</td>
</tr>
<tr>
<td>Change in assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/Decrease in trade and other receivables</td>
<td>(80,686)</td>
<td>35,310</td>
</tr>
<tr>
<td>(Increase)/Decrease in other current assets</td>
<td>(162,114)</td>
<td>3,295</td>
</tr>
<tr>
<td>(Decrease) in trade and other payables</td>
<td>(13,490)</td>
<td>(175,827)</td>
</tr>
<tr>
<td>Increase in deferred revenue</td>
<td>375,643</td>
<td>14,205</td>
</tr>
<tr>
<td>(Decrease)/Increase in provisions</td>
<td>(286,518)</td>
<td>124,233</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>301,715</td>
<td>70,527</td>
</tr>
</tbody>
</table>

19. Trust funds

Statement of financial position

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estate Late Leonard Chant</td>
<td>1,038,461</td>
<td>1,065,493</td>
</tr>
<tr>
<td>The Institute Trusts</td>
<td>76,162</td>
<td>75,564</td>
</tr>
<tr>
<td></td>
<td>1,114,623</td>
<td>1,141,057</td>
</tr>
</tbody>
</table>

Represented by

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash at bank and on deposit and trade and other receivables</td>
<td>1,114,623</td>
<td>1,141,057</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>105</td>
<td>849</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>105</td>
<td>849</td>
</tr>
<tr>
<td>Net trust funds</td>
<td>1,114,518</td>
<td>1,140,208</td>
</tr>
</tbody>
</table>

Statement of comprehensive income

Income

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest — Bequest from Estate Late Leonard Chant</td>
<td>16,234</td>
<td>26,335</td>
</tr>
<tr>
<td>Interest — Other trust funds</td>
<td>751</td>
<td>937</td>
</tr>
<tr>
<td></td>
<td>16,985</td>
<td>27,272</td>
</tr>
</tbody>
</table>

Expenditure

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration cost</td>
<td>(2,545)</td>
<td>(849)</td>
</tr>
<tr>
<td>Bank fees and charges</td>
<td>(307)</td>
<td>(107)</td>
</tr>
<tr>
<td>Scholarships and administrative costs</td>
<td>(39,823)</td>
<td>(81,518)</td>
</tr>
<tr>
<td>Used trust funds</td>
<td>(25,690)</td>
<td>(55,202)</td>
</tr>
<tr>
<td>Opening balance</td>
<td>1,140,208</td>
<td>1,195,410</td>
</tr>
<tr>
<td>Trust funds balance at end of year</td>
<td>1,114,518</td>
<td>1,140,208</td>
</tr>
</tbody>
</table>
Financial report

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:

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>2,834,057</td>
<td>2,976,493</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>175,786</td>
<td>95,100</td>
</tr>
<tr>
<td></td>
<td>3,009,843</td>
<td>3,071,593</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial liabilities at amortised cost:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>578,315</td>
<td>591,805</td>
</tr>
<tr>
<td></td>
<td>578,315</td>
<td>591,805</td>
</tr>
</tbody>
</table>

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>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>2,834,057</td>
<td>2,976,493</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>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>+1% (100 basis points)</td>
<td>28,341</td>
<td>29,765</td>
</tr>
<tr>
<td>−1% (100 basis points)</td>
<td>(28,341)</td>
<td>(29,765)</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 $350,000 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></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash balance of GBP at year end</td>
<td>32,196</td>
<td>40,680</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-tax surplus higher/(lower)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AUD/GBP+5%</td>
<td>1,610</td>
<td>2,034</td>
</tr>
<tr>
<td>AUD/GBP-5%</td>
<td>(1,610)</td>
<td>(2,034)</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 2015</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>2,834,057</td>
<td>-</td>
<td>-</td>
<td>2,834,057</td>
<td>2.69</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>-</td>
<td>-</td>
<td>175,786</td>
<td>175,786</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,834,057</td>
<td>-</td>
<td>175,786</td>
<td>3,009,843</td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>-</td>
<td>-</td>
<td>578,315</td>
<td>578,315</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>578,315</td>
<td>578,315</td>
<td></td>
</tr>
</tbody>
</table>

<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>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>-</td>
<td>-</td>
<td>591,805</td>
<td>591,805</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>591,805</td>
<td>591,805</td>
<td></td>
</tr>
</tbody>
</table>

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 2015.
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 2015 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:

Simon Pordage FGIA
Director

Andrew Horne FGIA
Director

Dated at Sydney this 5th day of March 2016.

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 2015 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

David Sinclair
Partner
Sydney
5 March 2016
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 2015, 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 2015 and of its performance for the year ended on that date; and

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

KPMG
David Sinclair
Partner
Sydney
5 March 2016

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 2011–2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></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>2,764,827</td>
<td>2,699,304</td>
<td>2,589,866</td>
<td>2,514,127</td>
<td>2,449,618</td>
</tr>
<tr>
<td>Postgraduate courses</td>
<td>2,682,274</td>
<td>2,657,275</td>
<td>2,526,878</td>
<td>2,313,447</td>
<td>2,233,453</td>
</tr>
<tr>
<td>Short courses and Certificates</td>
<td>3,532,474</td>
<td>3,009,638</td>
<td>3,024,166</td>
<td>2,882,259</td>
<td>2,573,925</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>477,600</td>
<td>371,058</td>
<td>454,624</td>
<td>518,936</td>
<td>519,022</td>
</tr>
<tr>
<td>Interest</td>
<td>80,408</td>
<td>88,255</td>
<td>108,298</td>
<td>134,517</td>
<td>159,193</td>
</tr>
<tr>
<td>Other income</td>
<td>69,067</td>
<td>78,915</td>
<td>80,001</td>
<td>93,464</td>
<td>82,384</td>
</tr>
<tr>
<td>Publications, journal and merchandise†</td>
<td>86,427</td>
<td>26,018</td>
<td>41,228</td>
<td>46,758</td>
<td>191,412</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>4,996,526</td>
<td>4,719,122</td>
<td>4,371,277</td>
<td>4,075,797</td>
<td>3,725,374</td>
</tr>
<tr>
<td>Postgraduate courses</td>
<td>829,627</td>
<td>765,519</td>
<td>871,838</td>
<td>655,847</td>
<td>641,171</td>
</tr>
<tr>
<td>Short courses and Certificates</td>
<td>910,917</td>
<td>838,315</td>
<td>908,153</td>
<td>842,575</td>
<td>793,166</td>
</tr>
<tr>
<td>Occupancy and state facilities</td>
<td>585,841</td>
<td>599,478</td>
<td>548,697</td>
<td>515,706</td>
<td>478,546</td>
</tr>
<tr>
<td>Publications, journal and merchandise†</td>
<td>270,673</td>
<td>281,175</td>
<td>261,285</td>
<td>282,990</td>
<td>270,222</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>335,331</td>
<td>393,718</td>
<td>378,629</td>
<td>369,095</td>
<td>248,546</td>
</tr>
<tr>
<td>Travel and meetings</td>
<td>253,996</td>
<td>249,272</td>
<td>255,254</td>
<td>221,851</td>
<td>209,985</td>
</tr>
<tr>
<td>Profile and website maintenance</td>
<td>491,922</td>
<td>487,203</td>
<td>435,814</td>
<td>434,276</td>
<td>448,059</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>307,365</td>
<td>315,627</td>
<td>326,378</td>
<td>311,620</td>
<td>234,790</td>
</tr>
<tr>
<td>ICSA, UK — capitation fee</td>
<td>109,352</td>
<td>91,172</td>
<td>82,789</td>
<td>82,655</td>
<td>82,698</td>
</tr>
<tr>
<td>Telephone, facsimile and email</td>
<td>117,863</td>
<td>98,390</td>
<td>89,633</td>
<td>84,287</td>
<td>78,333</td>
</tr>
<tr>
<td>Bank and credit card fees</td>
<td>31,747</td>
<td>30,992</td>
<td>33,176</td>
<td>88,962</td>
<td>111,820</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>79,228</td>
<td>94,318</td>
<td>86,497</td>
<td>86,970</td>
<td>92,227</td>
</tr>
<tr>
<td>International representation</td>
<td>84,080</td>
<td>108,961</td>
<td>101,176</td>
<td>121,616</td>
<td>141,906</td>
</tr>
<tr>
<td>Postage and courier</td>
<td>16,515</td>
<td>15,389</td>
<td>17,347</td>
<td>21,354</td>
<td>17,237</td>
</tr>
<tr>
<td>Insurance</td>
<td>36,504</td>
<td>38,494</td>
<td>38,962</td>
<td>39,367</td>
<td>38,734</td>
</tr>
<tr>
<td>Other expenses</td>
<td>47,542</td>
<td>47,962</td>
<td>22,016</td>
<td>63,178</td>
<td>34,254</td>
</tr>
<tr>
<td>Auditors</td>
<td>26,000</td>
<td>25,000</td>
<td>25,100</td>
<td>23,360</td>
<td>22,660</td>
</tr>
<tr>
<td>Professional services</td>
<td>28,499</td>
<td>16,523</td>
<td>20,899</td>
<td>18,747</td>
<td>31,573</td>
</tr>
<tr>
<td>Rebranding and renaming project††</td>
<td>-</td>
<td>10,175</td>
<td>605,501</td>
<td>55,504</td>
<td>-</td>
</tr>
<tr>
<td>ICSA structural reform***</td>
<td>-</td>
<td>4,246</td>
<td>11,057</td>
<td>46,144</td>
<td>341,346</td>
</tr>
<tr>
<td>Chant Legacy Trust legal fees****</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>110,533</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Surplus/(Deficit) from ordinary activities</strong></td>
<td>133,549</td>
<td>(324,488)</td>
<td>(666,417)</td>
<td>150,607</td>
<td>17,313</td>
</tr>
<tr>
<td><strong>Net gain/(loss) on disposal of asset</strong></td>
<td>-</td>
<td>81</td>
<td>-</td>
<td>(1,051)</td>
<td>(493)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total surplus/(Deficit) for the year</strong></td>
<td>133,549</td>
<td>(324,407)</td>
<td>(666,417)</td>
<td>149,556</td>
<td>16,820</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