

22 August 2017



Mark Fitt
Committee Secretary
Senate Standing Committees on Economics
PO Box 6100
Parliament House
CANBERRA ACT 2600

CPA Australia Ltd
ABN 64 008 392 452
Level 20, 28 Freshwater Place
Southbank VIC 3006
Australia
GPO Box 2820
Melbourne VIC 3001
Australia
Phone 1300 737 373
Outside Aust +613 9606 9677
Website cpaaustralia.com.au

By email: economics.sen@aph.gov.au

Dear Mr Fitt

**Inquiry into the Corporations Amendment (Modernisation of Members Registration) Bill 2017 -
Question on Notice**

During the course of CPA Australia's appearance before the Committee's public hearing on Wednesday 2 August 2017 in Sydney, questions were taken on notice. We wish to address those questions and provide the Committee with additional information. Also attached is a marked-up hard copy of the Proof Hansard transcript of evidence with some minor suggested amendments for consideration.

General comment

Having considered other party's submissions in response to the draft legislation seeking to modernise the required contents for member registers under the Corporations Act 2001, CPA Australia notes that many individual shareholders would not reasonably be aware that their personal information, as set out in the register of members, can be released to any company member or person and the use for which it can be put by that person.

Individuals would expect that a company which has their personal information has the necessary safeguards in place under the Privacy legislation as to the security of their personal information and would not necessarily be aware that a member or person to whom a register is released would not be bound by similar obligations to keep their personal information secure.

In this context, individuals could reasonably expect to have a say, i.e. consent, to their email addresses being in the register and be made aware of its potential release to any member or other person if included in the register.

We reiterate that CPA Australia is supportive of efforts to modernise the Act, including the inclusion of contemporary communication technologies, subject to the concerns raised in our submission and in evidence at the public hearing being addressed.

Location for CPA Australia's 2016 Annual General Meeting

CPA Australia is an international organisation with more than 160,000 members working in 118 countries. CPA Australia's first registered office outside of Australia was established in Singapore in 1954. Over the past few years CPA Australia has celebrated over 60 years in Asia, not only in Singapore but also in Malaysia and Hong Kong.

With nearly 40,000 members living and working in Asia, our locations outside Australia represent a significant component of our membership and revenue base.

In recognition of these milestones and our ongoing commitment to the Asia-Pacific region, on 18 January 2017 the Board directed management to set in train the process for our 2016 Annual General Meeting to be held and live streamed from Singapore.

The Board approved the Notice of AGM at its Board meeting on 27 February 2017, with the AGM to take place on 27 April 2017, a timeframe consistent with previous years and in line with requirements under Corporations Law.

All members were advised via Special Announcement on 15 March 2017, with the Notice of AGM distributed the following week, again consistent with previous years.

We were pleased to have 243 entitled meeting attendees, including members and their proxies, present for the AGM.

The AGM was live streamed for the first time which enabled anyone, anywhere in the world, to view proceedings. Those proceedings are available for viewing, in full, at the CPA Australia website.

Naked CEO and marketing

As one of 175 IFAC accounting bodies in the world, covering almost three million accountants globally, the commercial environment in which CPA Australia operates is highly competitive. In this context, marketing is an important part of the work of CPA Australia. It helps us to attract the highest quality members and to build the value of the designation and the profession in the eyes of employers and the wider community.

There are more than 100 different types of expenditure included in the marketing, promotion and publications category, covering items as diverse as policy development, library services and research grants.

Marketing includes traditional types of activities, like member acquisition campaigns supported by traditional advertising, and initiatives which move out of traditional areas of marketing, such as The Naked CEO book and website and the 'In Conversation' television program.

The level of our investment in marketing, promotion and publications, as a percentage of turnover, remains consistent with expenditure of more than a decade ago. In 2006, expenditure on marketing, promotion and publications was 17 per cent of turnover, while the same line item accounted for 17 per cent of turnover in 2016.

The Naked CEO is a mentoring initiative which builds a bridge from university to the professional world. It is aimed at younger audiences, including university graduates and young professionals via platforms they use, to create a healthy pool of future CPAs.

As at the end of May 2017, the website had had more than six million visits.

The book, launched towards the end of 2014, has been distributed to 38 countries, with a dozen reprints. It has been translated into Thai, Chinese and Vietnamese, while Bahasa and Turkish translations are scheduled for completion later this year.

The book was commissioned by Wiley, and as the publisher, they incur all costs associated with production and distribution.

The trade mark and all associated intellectual property are, and always have been, 100 per cent owned by CPA Australia. The former CEO has not and will not receive any payment for having written the book.

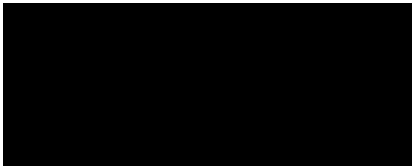
Royalties from sales of the book, including from international rights, are returned to CPA Australia and expended on engaging with future members, especially young executives.

The book and website have been promoted by CPA Australia. Of the total expenditure in the marketing, promotion and publications category in 2016, around three per cent was spent on the overall project, and less than half that figure was spent on promotion of the book specifically.

CPA Australia acknowledges concerns about promotional activity linked to the book and notes that the Board has specifically included marketing strategy and expenditure in the Terms of Reference for the ongoing independent review.

Should you have any further questions I would be pleased to assist.

Yours faithfully

A large black rectangular box redacting the signature of Stuart Dignam.

Stuart Dignam
General Manager, Policy & Corporate Affairs