

8 September 2017



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Dear Mr Fitt

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

Following CPA Australia's appearance before the Committee's public hearing on Tuesday 5 September at Parliament House in Canberra, we wish to 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.

It was suggested during the hearing that the Board of CPA Australia "considered distribution and circulation of email addresses." To clarify, distribution and circulation of email addresses was never an option as email addresses are not part of the members' register and are not required as part of the register of members under s169(1) of the Corporations Act 2001 (Cth) (the Act). To provide personal information, such as email addresses, without the legislative protection provided by the Act, would breach privacy laws.

The Chairman and directors gave careful consideration to correspondence from senior members dated 4 July 2017 which, in part, requested that CPA Australia undertake a mail-out of their correspondence to all CPA Australia members on their behalf, and determined it would not be appropriate to do so.

The Board meeting, held on 24 February 2017, formally approved the Notice of AGM. Arrangements for holding the AGM in Singapore were already well advanced at that time, with the Board having directed management to set in train that process on 18 January 2017, well before receipt of the member email referenced (21 February).

CPA Australia has previously held AGMs outside its head office in Melbourne. In 2005, the AGM was held in Brisbane, 2006 Adelaide and 2007 in Canberra. The 2017 AGM was the first held outside of Australia.

As previously advised, all members were advised of the AGM details via Special Announcement on 15 March 2017, with the Notice of AGM distributed the following week in a timeframe consistent with previous years and in line with requirements under the Act.

[The Notice of AGM](#), which included details on how to submit questions for the AGM, is available on our website.

We received questions for the AGM from 39 members. All received an acknowledgement and all were individually answered. Additionally, issues raised in the member questions were addressed in the President's AGM address, and nine questions from the floor were addressed during the meeting. The AGM proceedings can be viewed in full on the CPA Australia website.

The Notice of AGM set out matters of ordinary business (receipt of annual financial report) and noted that "there are no items of special business requiring members to vote."

The Corporations Act does not require the financial statements to be subject to a resolution at the AGM. As there was no vacancy in the auditor appointment it was not brought to the 2017 AGM. Disclosure in

accordance with Australian Accounting Standard 1054 (10) is made in the 2016 Integrated Report at page 90, note 19.

We were pleased to have 243 entitled meeting attendees, including members and their proxies, present for the AGM. There were 464 unique views through the livestreaming.

In the context of the Corporations Amendment (Modernisation of Members Registration) Bill 2017, CPA Australia has given consideration to the possible use of third parties to manage requests for member registers. Specifically, we have suggested the Committee may wish to consider whether, for membership organisations, it would be appropriate for a third party who meets standard security management guidelines to manage requests for copying of a member register and the management of its use for a proper purpose, particularly when it is the whole register rather than an extract of a single or a few entries.

We consider that any member interest, public interest and other concerns regarding secure management of information could be addressed with this mechanism which may need a register of managers approved for this purpose.

On the matter of distribution of an email on behalf of particular members to all members, as mentioned earlier, the Board determined that, in light of actions already taking place, this would not be in the best interests of the organisation, and as such, it would not have been appropriate to undertake such a mail-out. This would be the case, whether sent by CPA Australia or a third party. For members wishing to call for an EGM, they must first meet the requirements of the Act.

In relation to costs associated with the independent review panel, the Board is mindful of costs but is determined that the panel receive the resources it needs for robust, independent analysis. Remuneration for panel members reflects the nature of the work and the calibre of the individuals involved.

On the matter of former CEO, the Board decided to terminate the former CEO's contract in order to allow CPA Australia, its members, staff and Mr Malley to move forward. The terms of the separation, apart from the amount, remain confidential. The former CEO's payment was made in accordance with our obligations.

The level of CPA Australia's 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 16 per cent of turnover in 2016.

Marketing is an important part of the work of CPA Australia, and CPA Australia's television program 'In Conversation' and 'The Naked CEO' book and website have been important elements of our overall strategy to broaden the audience.

As indicated in the hearing, specific details, including arrangements with media outlets, advertising and sponsorship spends, are commercial in confidence. They contain information relevant to the internal structures and processes that CPA Australia adopts in order to achieve its business strategy and have a competitive commercial value which if disclosed, could impact on the profitability and viability of CPA Australia. However, we can say that these two areas of activities accounted for only six percent of total marketing, promotion and publications expenditure in 2016.

We have acknowledged member concern about marketing and note that marketing expenditure is specifically referenced in the Terms of Reference for the independent review.

Our mentoring initiative, which was formerly the Naked CEO is now known as Your 24/7 Career Mentor (the material has been rebadged) and continues to be an important element of our engagement strategy for university graduates and young professionals.

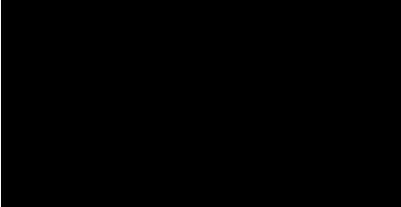
CPA Australia is proud of its consistent member growth rate over many years and we have over 44,000 more CPAs and FCPAs now than we did in 2007.

On 12 July 2017, CPA Australia released for the first time a comprehensive demographic overview and midyear report on [member numbers](#). This was published on CPA Australia's website and includes comparative data.

We note that, as of 30 June this year, our membership retention figures were tracking consistently with the same time last year and we had 5,713 new members which was higher than at the same time last year.

We received numerous complaints from members, and others, regarding receipt of unsolicited emails, including ten in writing.

Yours faithfully



Stuart Dignam
General Manager, Policy & Corporate Affairs

