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Budget Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
AUSTRALIA

Via email: [prebudgetsubs@treasury.gov.au](mailto:prebudgetsubs@treasury.gov.au)

**RE: Australasian Society of Association Executives 2020–21 Pre-Budget Submission**

The Australasian Society of Association Executives (AuSAE) welcomes the opportunity to provide a submission regarding priorities for the 2020–21 Budget.

The state of associations report indicates that the association sector contains over 10,000 businesses and 100,000 employees. It attracts over \$15bil in revenues and pays nearly \$6bil in wages annually. Importantly, associations are one of the largest contributors to standards of practice for professions, occupations and industries. Associations are also one of the largest collective providers of continuing occupation or industry related education and are a major contributor to policy related education and advocacy.

One problem for associations is that they are in the main are governed by elected members of the association who often un-skilled and without any previous governance experience. The potential impact of such a critical sector being governed in this way is the potential to create untold risks for the community and a very significant cost to government in dealing with poorly managed or governed associations. Associations that are poorly governed or managed are more likely to become frustrated in their dealings with government, to waste time, energy and resources and to cause unnecessary unrest with members as a result of a poor interface between the association sector and government. The cost to government has not been quantified but it must be significant.

While organisations like the AICD and Governance Australia have taken significant steps to improve not-for-profit (NFP) governance, the vast majority of focus has been on the charity and for-good sectors rather than associations. Associations have in the main flown under the radar in that although the costs to the community of poorly run associations are significant, they have mostly avoided public failures. The number of association directors subject to investigation by ASIC or state based regulators is low with issues more likely to be quietly managed by the sector. The damage however is done.

To improve the effectiveness of the association sector, AuSAE calls on government to consider a capacity building and education fund specifically targeted at improving;

1. The governance capability of association directors and boards. The fund should initially aim to raise the awareness levels of association directors and boards of what constitutes good practice and the impact of poor practice with an ultimate aim to improve the skill level and culture of governance in Australian associations.
2. The ability for associations to speak with government in meaningful ways through the provision of high-quality information for government. The fund should initially seek to provide resources on how to prepare high quality submissions with the ultimate aim of educating association governance and professional managers in how to structure and deliver information in a meaningful way.



The investment that might be made in these measures would be returned many times through improved performance of associations and their constituencies. In a context where associations have a profound reach and impact on almost all parts of the Australian economy, AuSAE urges the Australian Government to begin staged implementation of these measures in the upcoming 2020-2021 Budget.

Should you wish to discuss any matters raised in this submission further, please contact Mrs Toni Brearley, Chief Executive Officer of AuSAE, at [toni@ausae.org.au](mailto:toni@ausae.org.au).

### **About AusAE**

The Australasian Society of Association Executives (AuSAE) is the peak professional association representing over 7,000 Professional, Industry and Community Association leaders across Australia. AuSAE improve the knowledge and connections of these leaders through education, professional support and networking opportunities. The association sector in Australia contributes approx. \$15.0 billion to the Australian economy and employs over 100,000 people.