



Royal United Services Institute for Defence and Security Studies - Australia

Promoting national security awareness

ABN 83 657 442 244

DIRECTORS' REPORT FOR PERIOD 24 OCTOBER 2022 TO 2 OCTOBER 2023 - FOR ANNUAL GENERAL MEETING ON 2 OCTOBER 2023

Background

In 2016, the Constituent Bodies (CBs) of the Royal United Services Institute for Defence and Security Studies – Australia (RUSIDSS-A) agreed to the incorporation of RUSIDSS-A as a company limited by guarantee.

RUSIDSS-A is an Australian public company which is registered with the Australian Securities & Investments Commission (ASIC) and regulated by the Australian Charities & Not For Profits Commission (ACNC).

Also in 2016, a new National Board was elected with new governance arrangements and with a vision of a federated organisation with seven CBs focussing on strong local programs with strong coherence between the CBs and RUSIDSS-A.

The National Board was independent of the CBs who owned the company. The 2016 National Constitution excluded any person holding a position as councillor or director on the council or board of a CB from being eligible to be elected as a director of RUSIDSS-A (Clause 39.4 of the constitution).

On 9 March 2021, the then National Chairman advised the Board that he had received a paper from two CBs that was supportive of improving relationships between CBs and the National Board.

Accordingly at the 2021 AGM, the CBs agreed unanimously to amend the National Constitution by deleting clause 39(4), thus allowing office holders of CBs to stand for election as directors on the National Board.

National Board

At the 2022 AGM, the following persons were elected as President (National Chairman), Vice President and Directors respectively:

Paul Irving - President

Kerry Gallagher - Vice President

Rob Atkinson (SA) - Director

Peter Hodge (TAS) - Director

The following persons continued as Directors:

Bill Henman (ACT) - Director

Lance Scott (WA) - Director

Michael O'Brien (VIC) - Director.

Herbert (Mickey) Michaelis, National Support Manager, kindly agreed to undertake the duties of Company Secretary.

John Howells kindly volunteered to take the minutes of the Board meetings and to organise the videoconferences for the Board meetings.

Allan Dixon, Hon. Auditor, kindly agreed to continue as Hon Auditor.

The President requested David Leece to attend Board meetings as an observer in view of his extensive background with RUSIDSS-A.

During the year, Peter Hodge resigned as director and Paul Ferguson was elected as a Director.

The Board met on a regular basis since the 2022 AGM. CBs have access to Board meetings minutes via the Directors thus enhancing the communication with CBs and making more transparent the operation of the National Board.

The National Constitution allows for the election of up to nine directors and requires that 1/3rd of remaining directors stand down at each AGM. Paul Irving and Mike O'Brien agreed to stand down from the Board. Both officers have nominated for re-appointment.

Finances

The then Treasurer's Report to the 2021 AGM advised that RUSIDSS-A was solvent but based on assumptions on income and expenditure, it was forecast that RUSIDSS-A would become insolvent by FY 2023/24.

This prediction was based in part on the significant cost of operating the National office, failure to find replacement sponsorship of the National website provided by Rolls Royce and failure of some CBs to pay the capitation fee.

In view of this dire prediction, the Board undertook measures aimed at considerably reducing the cost of operation of the National office including:

- closing the National Website and associated Wild Apricot content management system;
- developing a new but significantly cheaper National website;
- discontinuing the “Association Liability Insurance Policy” in FY 2022/23, thus saving an annual premium of in excess of \$2000;
- critically reviewing all items of expenditure by the National office; and
- ensuring all CBs paid the capitation fee set at the AGM.

As a result of these actions, RUSIDSS-A has returned surpluses in the last two financial years and has a healthy reserve.

Financial Report for Year Ended 30 June 2023

Attached at **Annex A** are the Hon. Auditor’s Report, and the Balance Sheet and Profit and Loss Statement as at 30 June 2023.

For FY 2022/23, the Company made an operating surplus of \$7136.27. The Company is solvent.

The Directors wish to express their appreciation for the work of the Hon. Auditor, Allan Dixon and Company Secretary Mickey Michaelis, in preparation of the financial reports.

Capitation Fee

At the Company AGM held on 18 October 2019, the following resolution was passed unanimously:

That Members of the Company be levied a service fee equivalent to a rate of \$15 per financial member of each Constituent Body to fund the national body. This resolution remained extant until the 2022 AGM.

For several reasons including lack of confidence by some CBs in the operation of the National office, there were considerable arrears in the payment of capitation fees by some CBs.

The Board took action to seek the payment of all arrears in capitation fees, which boosted the income received in the National accounts for FY 2021/22 and FY 2022/23.

At the 2022 AGM, based on a minimalist budget to operate the National Office, the Board agreed to set a capitation fee of \$5.50 per financial member for 2022/23. All CBs paid this capitation fee.

Proposed Budget FY 2023/24

The President has prepared a minimalist budget for FY 2023/24 (**Annex B**) for consideration at the AGM.

To fund the budget for FY 2023/24, it is proposed to levy a capitation fee based on the numbers of financial members in each CB as at 30 June 2023.

The CBs have advised that the number of financial members in each CB as at 30 June 2023 was as follows with the figures for 2022 shown in brackets:

ACT	129	(129*)
NSW	514	(496)
QLD	111	(71)
SA	73	(90)
TAS		
Hobart	43	(43)
Launceston	31	(55)
VIC	249	(262)
WA	27	(36)
TOTAL	1177	(1182)

* ACT provided revised figures post the 2022 AGM.

National Journal

During the year, *United Service* continued its transition to be a far reaching, relevant and informative National journal with a wide range of articles published. The challenge remains for all CBs to produce scholarly articles for inclusion in *United Service*.

The submission made by members of the Special Interest Group on Strategy to the Defence Strategic Review was published in full in a special edition of *United Service*, thus improving the awareness and understanding of important defence and national security issues by our members and the public.

Statistics maintained by RUSI NSW show the extensive “reach” of the National journal within Australia and around the world.

National and CB Websites

During the year, CBs added details of local events and other materials to the new National website that was launched on 1 July 2022, thus providing more and relevant information to members and non-members on the work undertaken by CBs.

John Howells also developed a new website for RUSI TAS and assisted RUSI QLD in developing a new CB website.

A federated organisation with seven CBs focussing on strong local programs with strong coherence between the CBs and RUSIDSS-A.

Significant progress was made in meeting the 2016 vision of the National Board. Initiatives included continued development of the National website and National journal, and attempts to develop a closer relationship with RUSI-UK and with USI- India.

Bill Henman and Paul Irving met with the A/Commander Australian Defence College with a view to re-instituting the *Yolla* award at the College.

RUSI-A and RUSI NSW conducted an excellent Fourth International Dialogue on “Managing Tensions in the Indo-Pacific Region.”

Members of the RUSI NSW Special Interest Group on Strategy undertook a detailed analysis of the Defence of Australia and made a significant contribution to the Defence Strategic Review. It was pleasing that some of the recommendations in the submission made by the Special Interest Group on Strategy were included in the publicly released version of the Review.

The Board spent considerable time discussing the future role and structure of the National body and the CBs via a paper developed by Vice President Kerry Gallagher titled: “**Fit For Purpose into the 2020s and Beyond**”.

Appreciation

The Board wishes to express its sincere appreciation to the following persons who have assisted materially in the effective operation of the Board:

Allan Dixon, Hon. Auditor;

Mickey Michaelis, National Support Manager and Company Secretary;

John Howells, Minute Secretary and IT Expert;

David Leece, advisor to the Board

Paul Irving

National Chairman on behalf of the Directors

28 September 2023

Attachments:

Annex A – Financial Report for FY 2022/23

Annex B – Proposed Budget for FY 2023/24