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Not-for-Profit Governance & Performance Study 2023-24



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Australian
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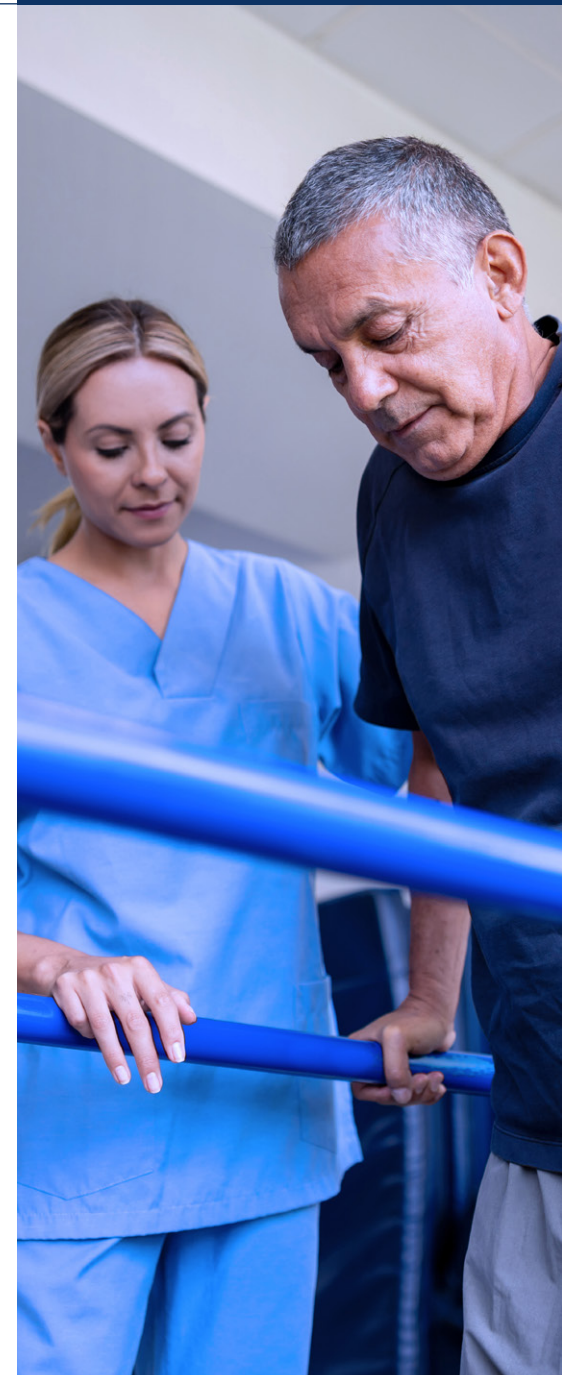
**Commonwealth
Bank**



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Introduction from AICD

In this, the fifteenth edition of the NFP Governance and Performance Study, we are seeing a major shift in expectations of directors, particularly for those in the “care economy”. While recognising the diversity of the NFP Sector, over 60 per cent of respondents are from organisations providing care, whether that be in Health and Residential Aged Care, Housing, Social Services and Education.

Recent royal commissions have shone a spotlight on governance in these areas and recent reforms and proposed legislative changes will add an even greater level of complexity to governance.

AICD does not back away from the need for greater attention being paid to the provision of care. Indeed, the harrowing tales out of a number of these inquiries shows that change is required. Undoubtedly directors need to be asking the right questions of their management teams and need to have the processes in place to get the information required to have proper oversight. However, we must also recognise that directors are not working at the “coalface” every day with detailed operational knowledge and there remains the need for the “helicopter” view that an independent non-executive director can bring. This is the essence of good governance.

Yet the continued increase in time commitment for directors, coupled with the need for specialised care governance skills and more onerous regulatory obligations, are already causing many to reconsider their availability for roles on boards of human service organisations. And for NFPs in rural and regional Australia this is an even more burning issue. Many of these director roles are done on a volunteer basis and for those that are remunerated, it is at a relatively low level when considering the potential risks.

The risk/return ratio for these roles is coming under strain.

The AICD will continue to help raise the capability of directors active in this sector and to advocate for sensible, data based policy outcomes.

AICD thanks the respondents to this year’s study for their time in highlighting these many challenges and pays tribute to all of those working in this critically important sector.

Mark Rigotti MAICD

CEO and Managing Director

Australian Institute of Company Directors

Australian Institute of
Company Directors

A message from CBA

CommBank is delighted to once again support the production of the annual AICD *Not-for-Profit Governance and Performance Study*. In our increasingly digitised world, we continue to champion the power and importance of research and data, and how it can help us identify and act on emerging opportunities and challenges.

Across all sectors of the economy, we continue to see the impact of technology and AI and the benefits these technological advances bring. However, we are also seeing a corresponding rise in sophisticated cyber scams and fraud.

No sector is immune from the activity of cyber-criminals and this year's study explores the importance of cybersecurity governance. All organisations, regardless of size, should have cybersecurity policies and procedures in place to help safeguard sensitive and personal information that is often held by not-for-profits.

It can be overwhelming knowing where to start and how to keep up to date, especially if you are not an IT person. I would encourage you to visit CommBank's cyber security webpage which has some helpful tips about keeping safe online.

On behalf of CommBank and the specialist Not-for-Profit Sector banking team, we hope you find that this year's study supports key conversations within your not-for-profit, around your boardroom table, and across your executive teams.

Jeremy Macey

Executive Manager, Industries and Communities
Commonwealth Bank of Australia





Executive summary

The 2023-24 AICD NFP Governance and Performance survey was conducted in October 2023 shortly after the release of the findings and recommendations of the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. This was also prior to some of the governance changes from the Royal Commission into Aged Care, Quality and Safety coming into force.

While the impact of the Covid 19 pandemic on the governance of NFP organisations is decreasing, other major societal and economic changes are under way. It is clear that society has high expectations for directors performing their duties across the broad NFP sector.

The royal commissions have placed the individual at the centre of board deliberations which requires a strong focus on the quality of care being provided and listening to the voices of clients and key stakeholders. This requires technical and clinical expertise among the board members and finding the right skill mix remains a balancing act.

This year's NFP Study has highlighted four key findings:

1. Governance at a tipping point

Directors have greater accountability than ever before with recent royal commissions highlighting the need for greater oversight by independent non-executive directors. This is reflected by the increased time spent on their role over many years, with this year showing almost half spending more than three days per month on their role.

Remuneration of directors, while still only just over 20 per cent, is being discussed more regularly and organisations are needing to engage closely with stakeholders on this journey.

Monitoring the quality of care provided to clients is critical for many NFPs. The implementation of care committees is assisting with this purpose, although many organisations are yet to formally adopt such processes with 43 per cent of aged care providers having established a care committee.

2. Governance of cybersecurity requires increased focus

Over one-fifth (21%) of respondents indicated their organisation had experienced a cyber attack in the last twelve months. Despite this, cybersecurity is not always on the board's agenda with only 42% indicating they addressed it at every meeting.

As more organisations adopt new systems and technology to increase efficiency and remain competitive, directors are required to understand the risks and consequences of the rapidly advancing digital environment.

For many NFPs there remains a major challenge to having the range of skills on the board to guide their organisation's digital journey.

3. Financial challenges mount

Financial pressure keeps mounting on NFPs with an increased percentage reporting losses in the last financial year. Only 44 per cent reported making a profit in 2022/23, down from 49 per cent the previous year.

This lack of profitability is not spread evenly; for example, health and residential aged care sectors reported only 36 per cent made a profit. By comparison 67 per cent of development and housing respondents made a profit.

Despite these financial challenges and previous indications that mergers would increase, merger activity and discussions remain low on the agenda of NFPs.

4. Measuring organisational impact

Delivering on purpose is at the heart of every NFPs' mission. Seventy per cent of respondents rated their organisation as either highly or mostly effective in achieving their organisation's purpose. Thirteen per cent rated it as either highly or mostly ineffective.

In terms of how they are measuring organisational effectiveness, CEO reports and other business metrics were the most common sources of information.

Despite reporting that governance has been improving over time and that boards are performing their functions well, directors recognise the need to improve board composition, and to regularly track organisational progress towards goals.

OTHER KEY FINDINGS

Structures of NFPs – The legal structures of NFPs are quite varied but mostly support the organisations in achieving their purpose (93%).

Staffing has increased across most sub-sectors which can also be explained by the proportion of organisations expecting change in their client numbers (19%), as well as the total volume of service to be provided (19%). A range of issues regarding workforce are also expected to change including training and development, staff numbers (FTE) and staff pay and benefits.

Organisational priorities for the next 12 months – NFPs are reassessing their strategic priorities based on the royal commissions' recommendations as well as larger societal evolutions (aging population, employment rates, cost of living). The most frequently rated priorities within the top three for the next 12 months included:

- Diversifying income sources
- Protecting life and well-being of clients
- Responding to changes in the operating environment

Board priority actions – The board actions considered a priority most often were:

- Regular review to track progress against goals or targets of the organisation
- Improve board composition
- Develop a new strategic plan
- Increase governance activities and duties

Expected changes over the next 12 months –

Substantial proportions of NFPs (up to 19%) expect changes within the next 12 months. Areas where the highest proportions of NFPs expect change include client numbers (19%), the total volume of service to be provided (19%), capital investment (17%) and changes in innovation (16%). A range of issues regarding workforce are also expected to change including training and development, staff numbers (FTE) and staff pay and benefits.





KEY FINDING ONE: Governance at a tipping point

The time commitment for directors continues to increase considerably. Some of this appears to be in response to increasing public expectations of NFP directors and executives.

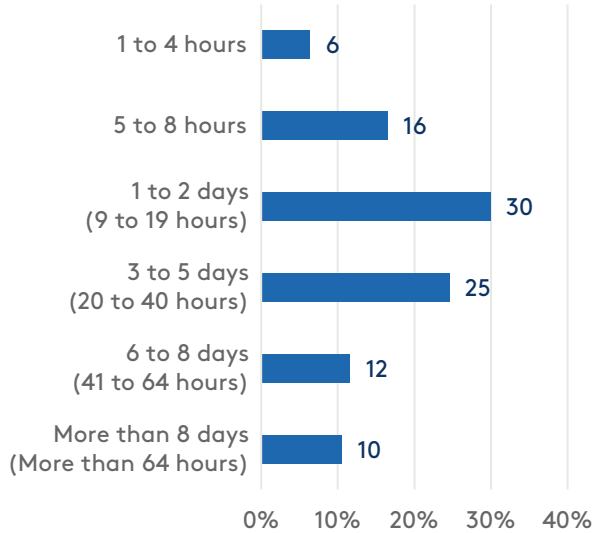
The study’s focus groups expressed concerns that this was unsustainable and that directors would walk away from some of these roles given the extra regulatory burden.

“One thing about the royal commission is that it has cemented the fact that clinical people and people who understand clinical governance are now sort of core board members, rather than nice to have.”

“I think there’s a lot of confusion about what their (not-for-profit directors) roles are.”

- NFP Study respondents

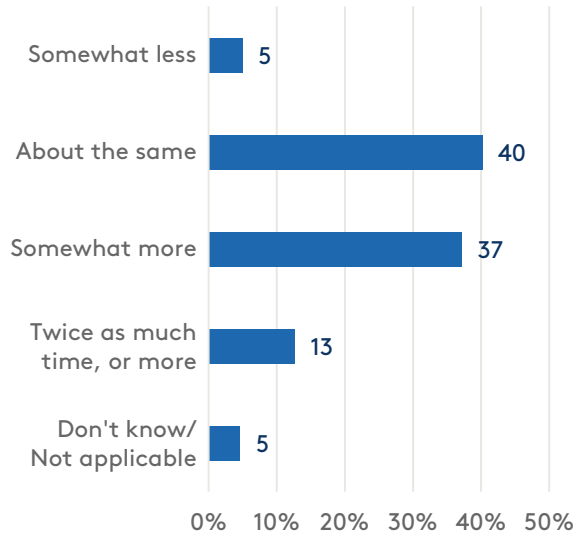
Hours per month spent on governance duties (in %)



Base = 802

Close to half (47%) are spending more than three days per month on governance of their NFP. Of these, 22 per cent are spending more than six days per month.

Time spent on director role compared to last year (in %)

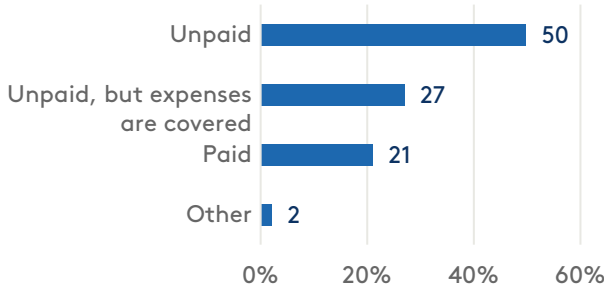


Base = 801

Half (50%) of respondents indicated that they are spending more time on director duties compared to last year.



Payment of board members (in %)



Base = 1025
Note: directors who had responded ‘other’ reported having a combination of paid and unpaid board members, having meeting fees and expenses covered or providing a small stipend/honorarium.

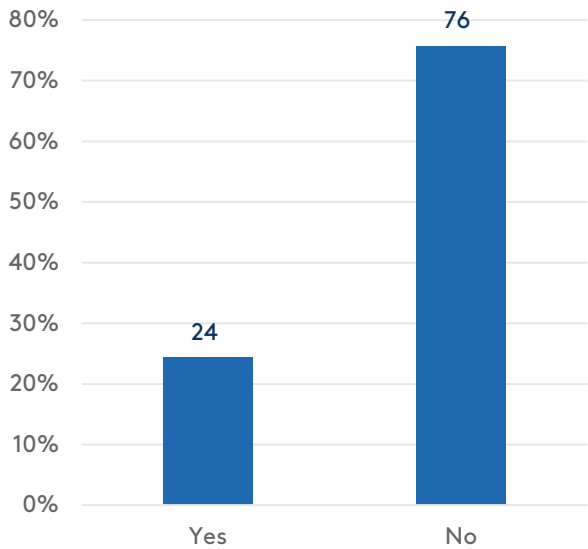
Twenty-one per cent of NFP directors were remunerated, which has steadily increased from 14 per cent, five years ago.

Just over three-quarters (77%) of board members report being unpaid, or only have expenses covered.

“It’s hard to get the necessary skills and experience within your price range and salaries budgets and retain those (directors)”

– NFP Study respondent

Discussion about paying board members (in %)



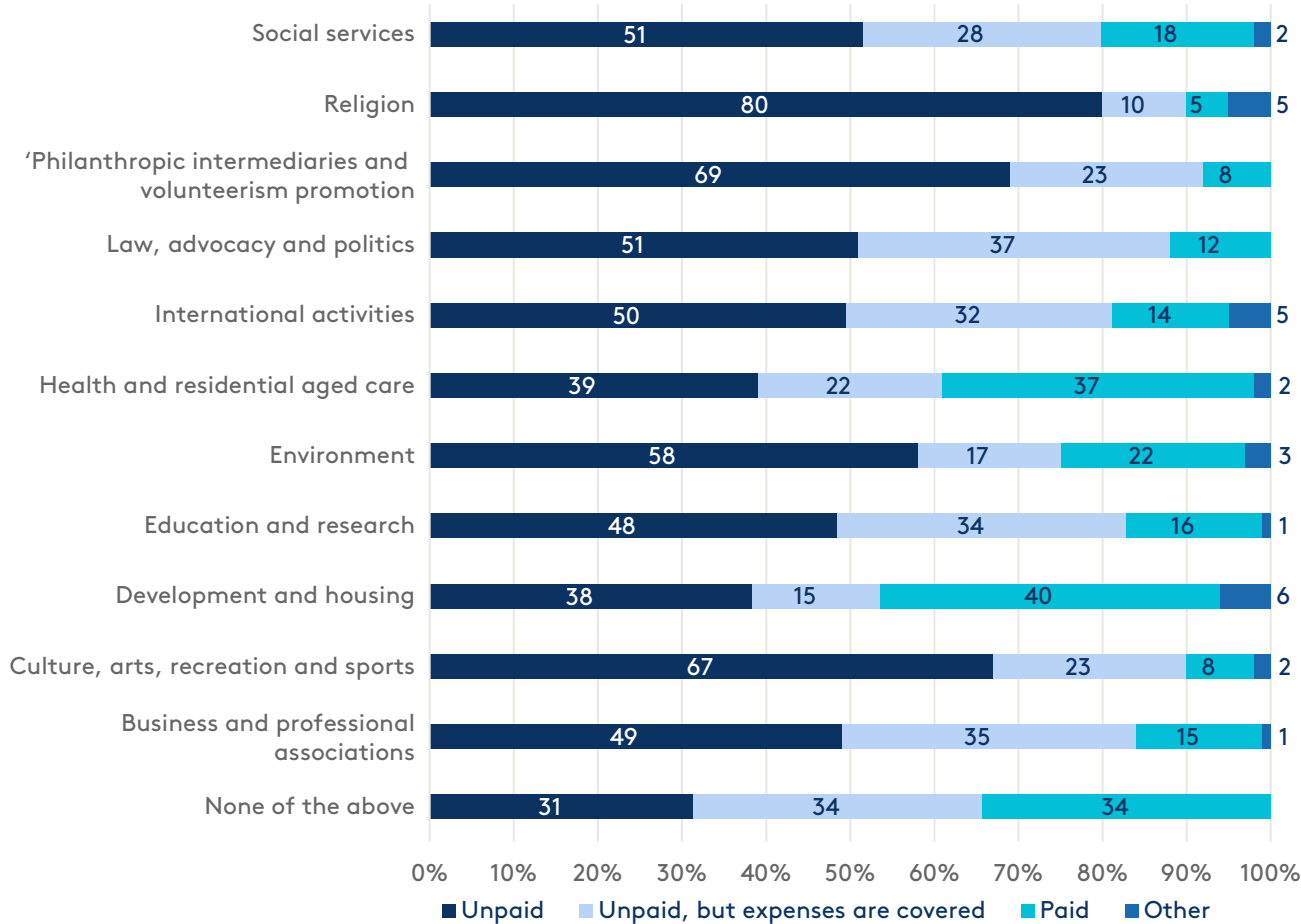
Base = 786
There has been an increase in the number of organisations discussing remuneration for board members. Twenty-four per cent of boards have started such discussions (compared to 19% last year).

“We haven’t paid directors until the last year or three and we started to pay directors to get skills in and fill gaps”

– NFP Study respondent

Payment of board members (by sub-sector; in %)

The top three sub-sectors featuring the highest percentage of organisations paying their board members are development and housing (40%), health and residential aged care (37%), and environment (22%).



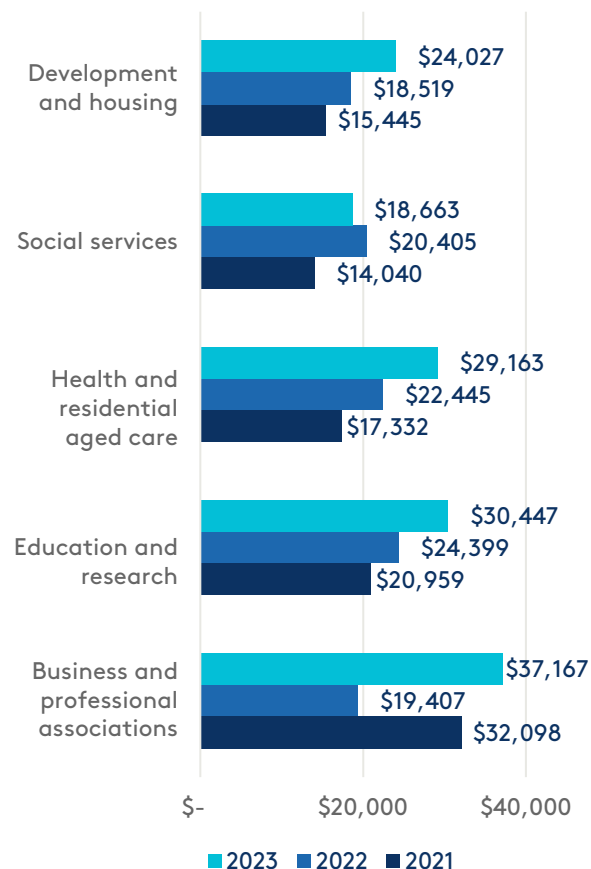
Base = 1025
Note: directors who had responded 'other' reported having a combination of paid and unpaid board members, having meeting fees and expenses covered or providing a small stipend/honorarium.

Amount paid to board members (by-sub-sector)

Of the organisations who pay their board members, the timed average salary across all NFP sub-sectors is \$24,934. In a breakdown by sub-sector, business and professional associations offer their board members the highest average salary with \$37,167, followed by education and research with an average salary of \$30,447.

Compared to last year, these sub-sectors have seen average director remuneration increase from \$24,339 for education and research, \$22,445 for health and residential aged care, \$19,407 for business and professional associations.

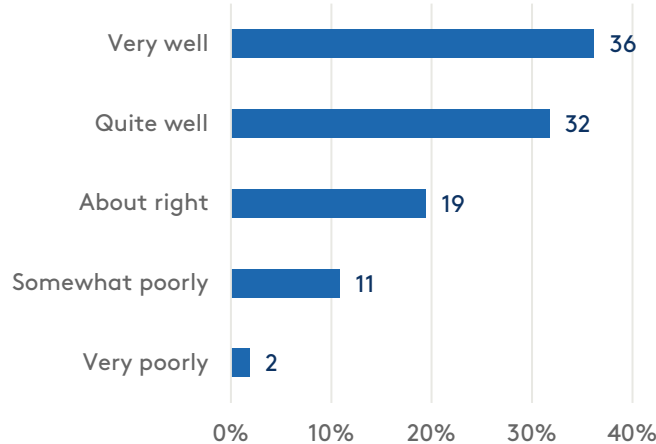
Director remuneration (by sub-sector; in %)



Base = 192 - 326

Note: Some sub-sectors' figures are omitted from this graph due to insufficient responses to this question to be reliable.

Performance of the board (in %)



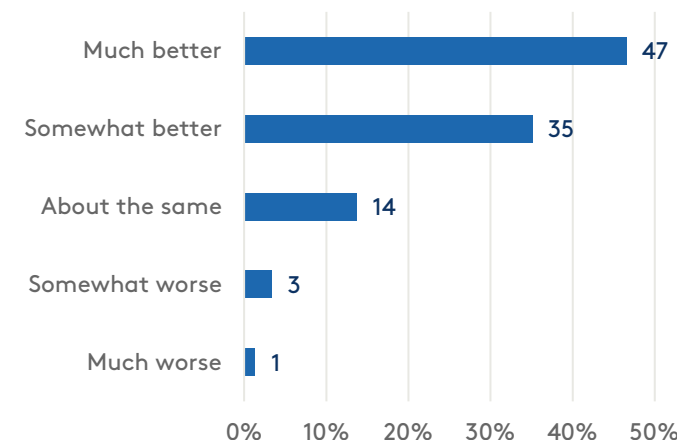
Base = 1015

In terms of performance against its objectives, most boards were assessed as functioning well (68%).

“We all really have a fairly deep understanding of the complexities of the delivery of care, and we have a very strong clinical governance where it’s heavily drilled into.”

– NFP Study respondent

Governance compared to three years ago (in %)



Base = 980

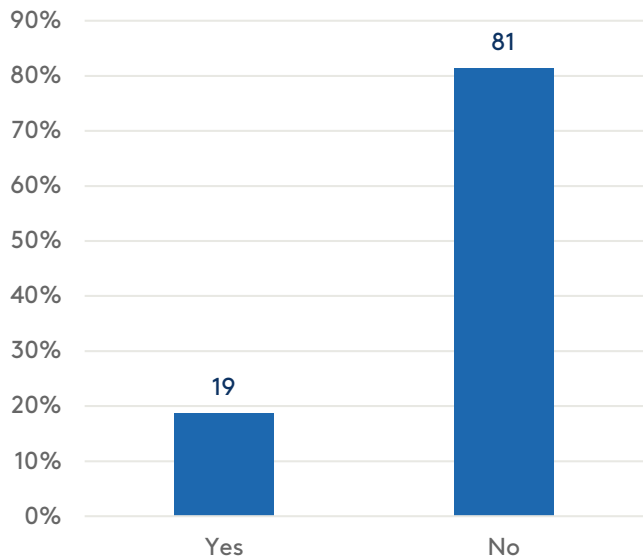
Compared to three years ago, 82 per cent of respondents stated that governance was much better or somewhat better. It has remained the same for 14 per cent of respondents.

“We’ve got a good process to understand the skills that we need and do succession planning”

– NFP Study respondent

Care committee (in %)

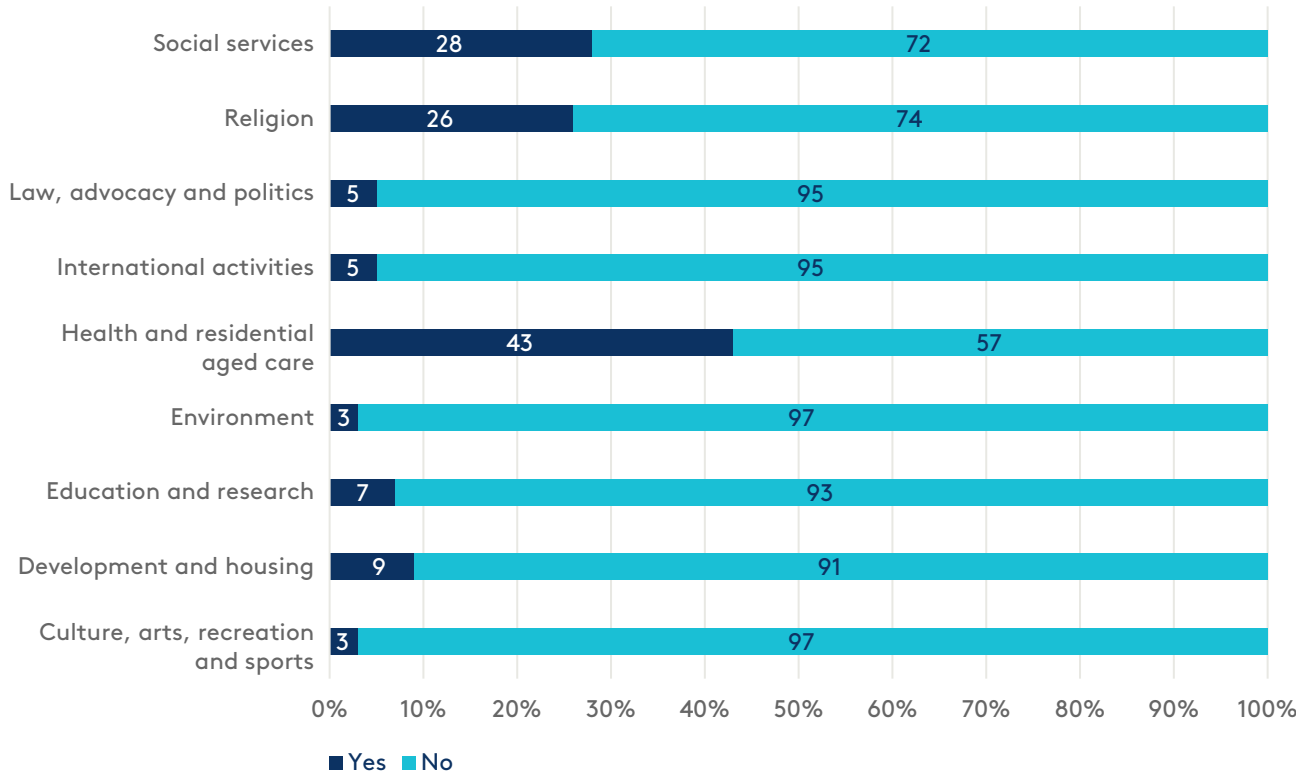
This is a new survey question, asking directors whether they have a care committee. While most (81%) of the NFP directors responding to this survey reported their organisation did not have a care committee as part of its governance structures, the distribution of care committees is not even across the different NFP sub-sectors.



Base = 984

Care committees (by sub-sector; in %)

Care committees are most used in the health and residential aged care, social services and religion sub-sectors. It is rare to find care committees being used outside of these three sub-sectors.



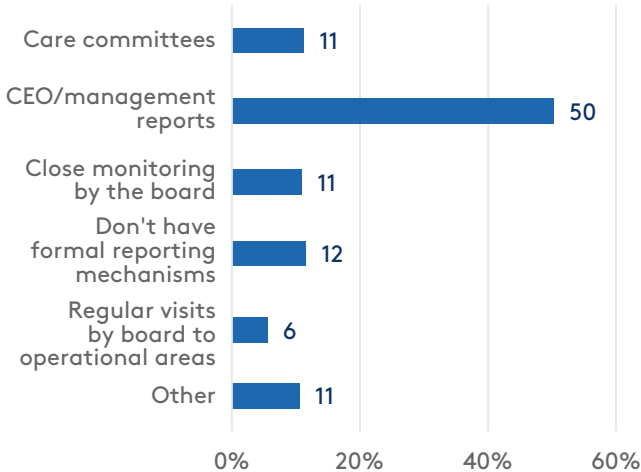
Base = 21 to 276

“We do have a significant problem with a lack of implementation expertise, not just in aged care, but right across human services.”

– NFP Study respondent

Appropriate care measures (in %)

Boards use several mechanisms to ensure that care recipients receive appropriate care and support. By far the most prevalent measure used is CEO or management reports (primarily used by 50% of boards). Twenty-eight per cent of boards primarily use one of the other mechanisms such as care committees (11%), close monitoring by the board (11%), or regular visits by the board to operational areas of the organisation (6%). Some boards (12%) have no formal reporting mechanisms to ensure appropriate care.



Base = 615

‘Other’ mechanisms used to monitor care quality included; stakeholder surveys, clinical governance committee, quality committee and using external advisors for auditing or accreditation.

“We haven’t really understood that none of the board would have any clinical governance background.”

– NFP Study respondent

🔍 QUESTIONS FOR CONSIDERATION

- 1. Are the expectations and time commitment on our directors sustainable?
- 2. Is our board succession planning ‘fit for purpose’?
- 3. Would remuneration of directors assist in attracting the right skill sets to the board and is remuneration financially viable?
- 4. Is our organisation compliant with the new rules and regulations applicable?
- 5. Does the board receive appropriate and sufficient information to make informed decisions and fulfil our legal obligations?





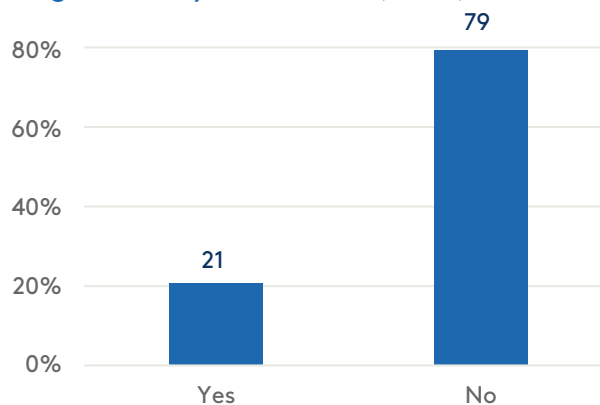
KEY FINDING TWO: Governance of Cybersecurity requires increased focus

In an increasingly digitised world, respondents indicated that cybersecurity attacks had occurred in more than one in five (21%) organisations over the last year. Despite this, the topic is only on the agenda of every board meeting for 42 per cent of NFPs, with 14 per cent never discussing the subject.

As a singular definition of cyber attack was not provided for respondents completing the survey, therefore, there may be a variation in an individual understanding of what constitutes a cyber attack. Nonetheless, the frequency that the issue appears on board agendas is concerning in light of the risk posed to NFPs.

As more organisations adopt new systems and technologies to adapt to new ways of working and increase efficiency, the vulnerability to cyber incidents increases. Having effective governance controls in place to protect the data of clients is a vital role of NFPs in a modern world.

Target of a cyber attack (in %)



Base = 977

Just over a fifth (21%) of respondents identified that their organisation had been the target of a cyber attack within the last 12 months.

The **Cyber Security Governance Principles** developed by the Cybersecurity Cooperative Research Centre in collaboration with the AICD, highlighted the unique threat posed to NFPs. These stemming from factors including cost, resourcing and the perceived complexity of the topic.

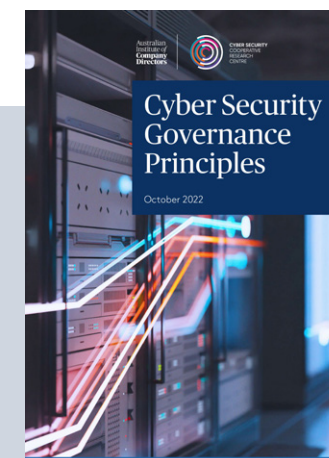
RELATED READING

The Cyber Security Governance Principles - SME and NFP Director Checklist

- Set clear roles and responsibilities
- Develop, implement and evolve a comprehensive cyber strategy
- Embed cybersecurity in existing risk management practices
- Promote a culture of cyber resilience
- Plan for a significant cybersecurity incident

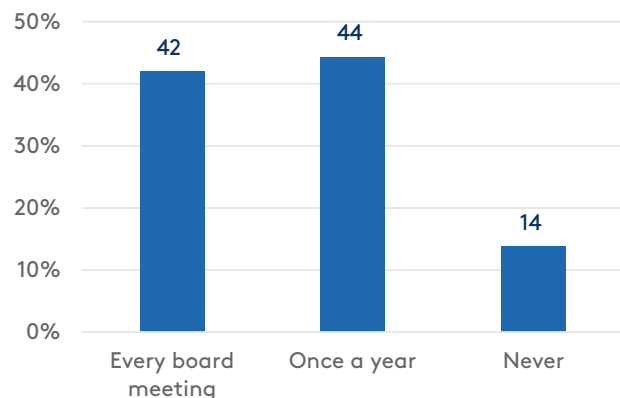
[Download the Cyber Security Governance Principles](#)

[Download the SME and NFP Director Checklist](#)



Cybersecurity on board agenda (in %)

Cybersecurity was a key topic at the AICD's 2023 *Essential Director Update*. Presenter, Jacqueline Chow GAICD advised organisations to find an appropriate risk appetite that protects the data they hold, whilst unlocking the potential for that data to enhance their operations.



Base = 977

Forty-two per cent of boards include cybersecurity in every board meeting although 44 per cent only discuss cybersecurity once per year.

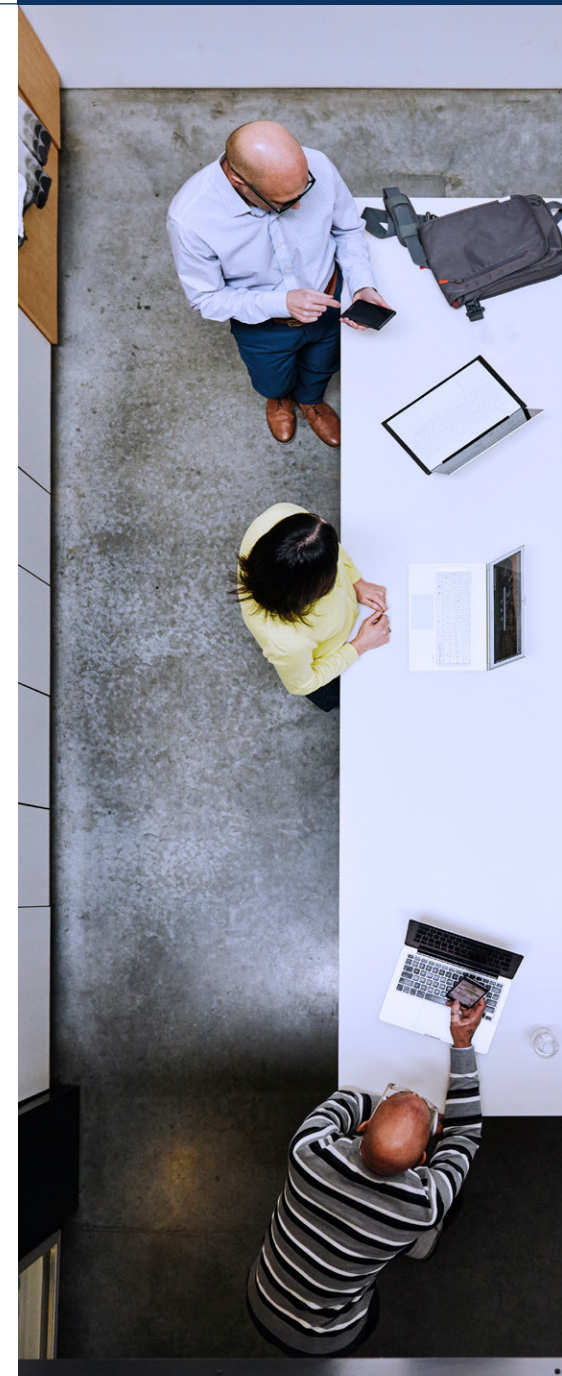
“If you haven’t yet experienced a cyber attack, it is a matter of when, not if.”

– Jacqueline Chow GAICD, 2023 AICD Essential Director Update

There is no doubt that the knowledge and understanding of cybersecurity has improved greatly since AICD first explored cybersecurity in the 2018 *NFP Governance and Performance Study*. At that time, over half the respondents did not have cybersecurity on their radar, with only 15 per cent actively managing throughout the year. Similarly, only 22 per cent had a good understanding of the probability of a cyber attack and 23 per cent had a good understanding of the protections they had in place.

❓ QUESTIONS FOR CONSIDERATION

1. Does our organisation have a comprehensive cyber strategy in place?
2. Do we have the right balance between ensuring our data is secure and enabling access to enhance operations?
3. Does our board receive regular cybersecurity metrics from our executive?
4. Is our board sufficiently focused on the organisational risks of a cyber incident?
5. Are we leveraging the data we have to increase our effectiveness?
6. Are there beneficial technologies that we are not utilising?

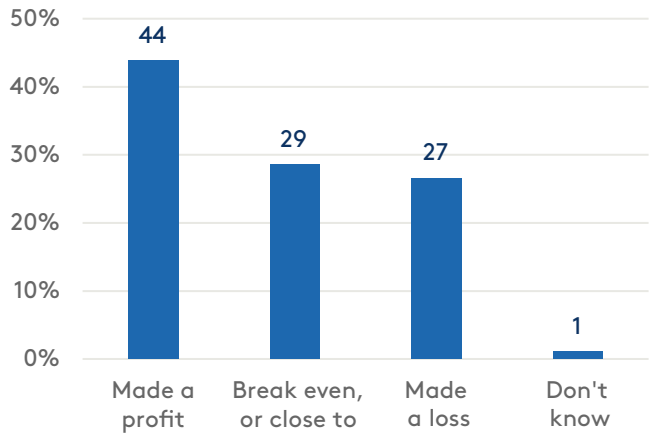




KEY FINDING THREE: Financial Challenges

For the second year in a row, there is an increase of organisations reporting a loss (27% which is up from 24% last year). Sub-sectors fared differently, with 34 per cent of health and residential aged care respondents reporting a loss. Sub-sectors more likely to record a profit included development and housing, and education and research.

Profit/loss/break even (in %)



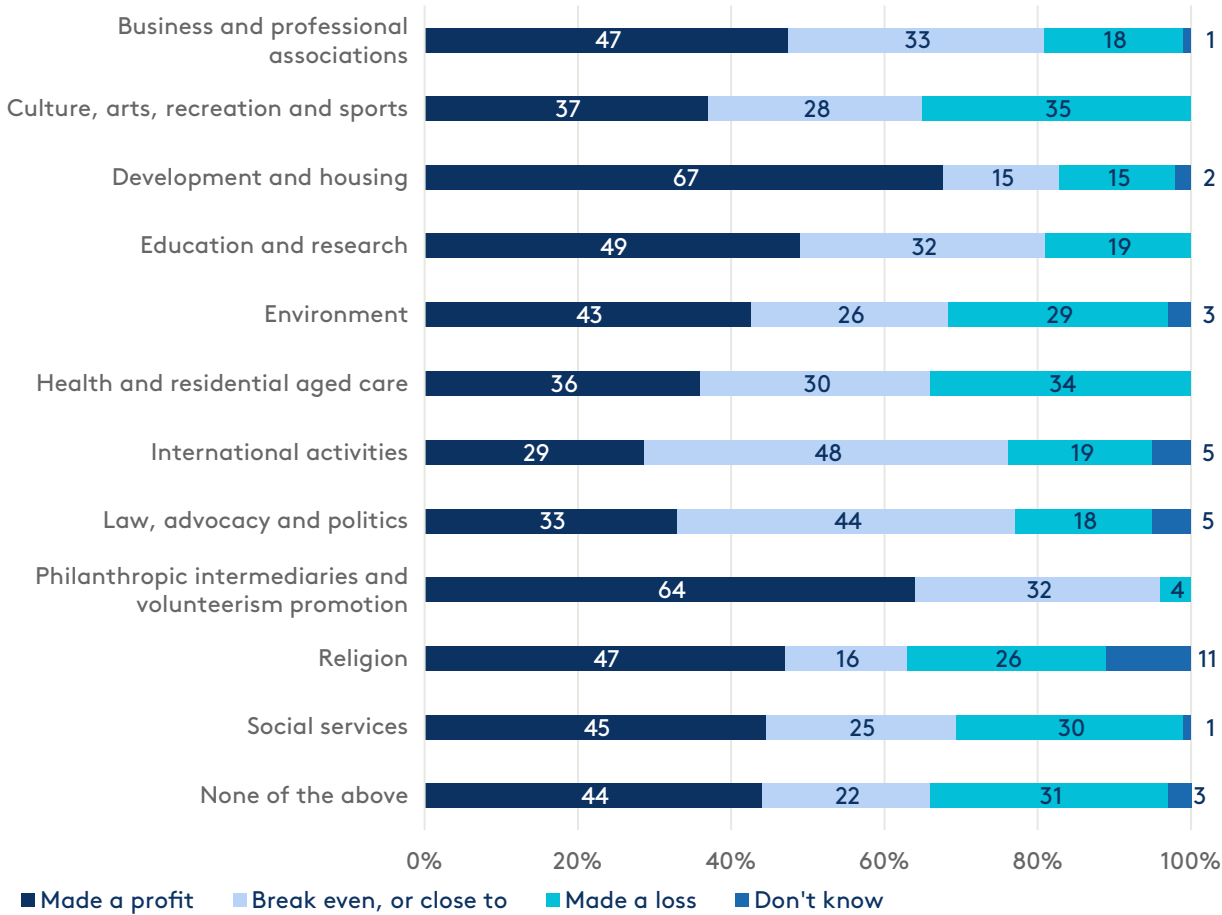
Base = 991

Three-quarters of respondents (73%) reported their organisation made a profit or broke even in the 2022/23 financial year.

A notable proportion though (27%) made a loss.

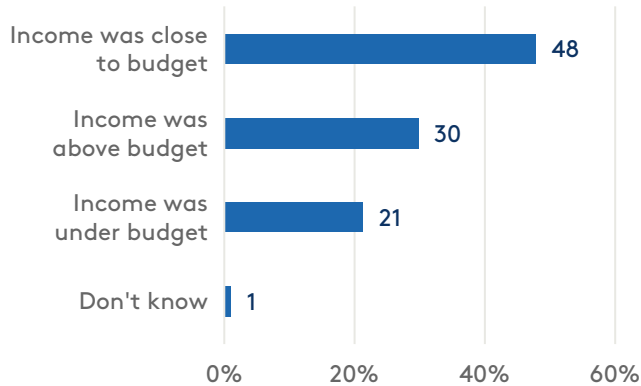
Profit/loss/break even by sub-sector (in %)

Culture, arts, and sports as well as social services, health and residential aged care, and environment organisations were the most likely to make a loss during the last financial year. This has continued a trend in the health and residential aged care sub-sector over recent years.



Base = min 11 max 434

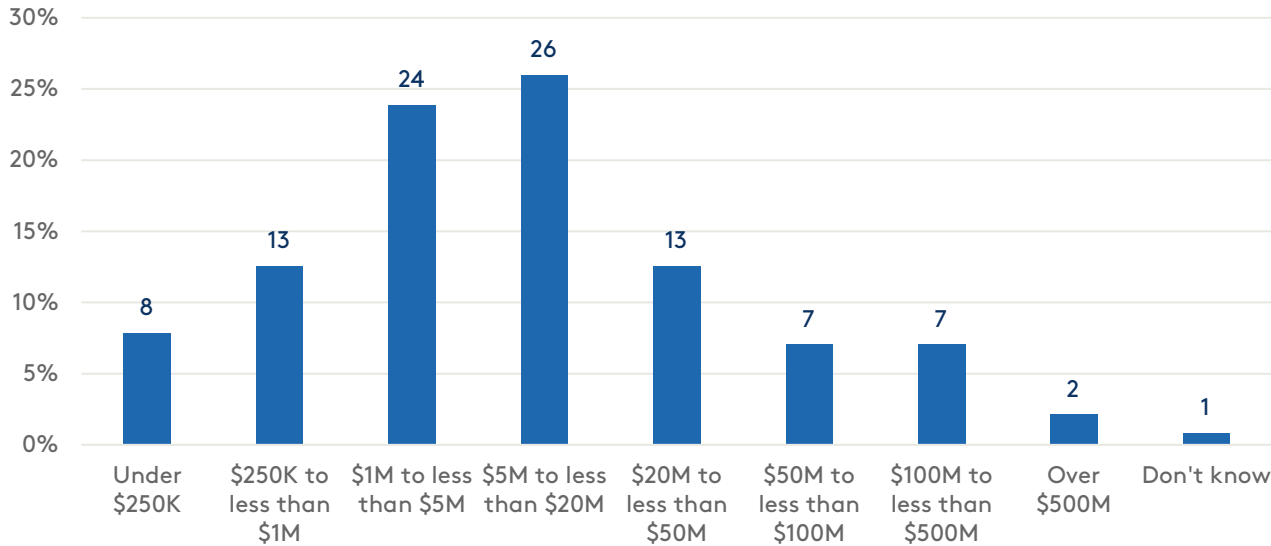
Income/budget comparison (in %)



Base = 994

The majority (78%) of NFP organisations were close to budget or above their budgeted income. A smaller proportion of respondents indicated their income was under budget. This proportion has reduced from last year from 27 per cent to 21 per cent.

Total income for the 2022/23 financial year (in %)

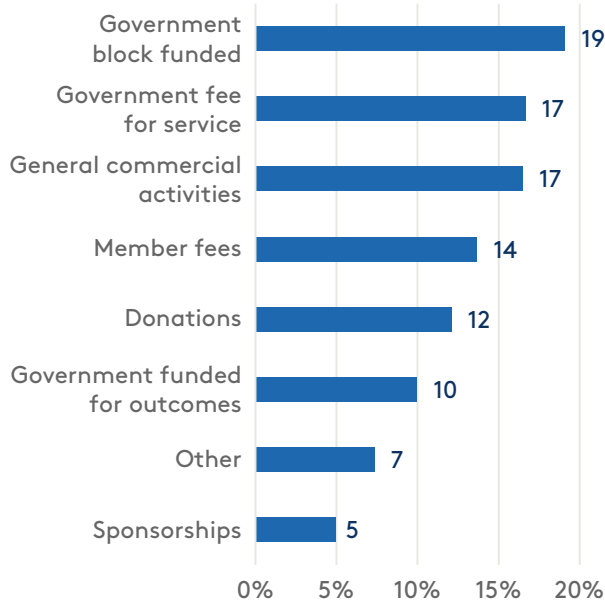


Base = 994

Half of the respondents reported an annual income for their organisation of between \$1 million to less than \$20 million (50%). Just over a fifth (21%) earn under \$1 million and 30 per cent (30%) earn more than \$20 million per annum.

Income sources (in %)

The average reported percentage of NFPs funding showed government block funding, general commercial activities and government fee for service were the top three sources of income for organisations.



Base = 996

NFPs sourced income from ‘other’ sources including investments, service fees, grants (public, private or philanthropic), enrolment and student fees, rent, events and conferences, corporate partnerships and stakeholder funding, and funding from federations.

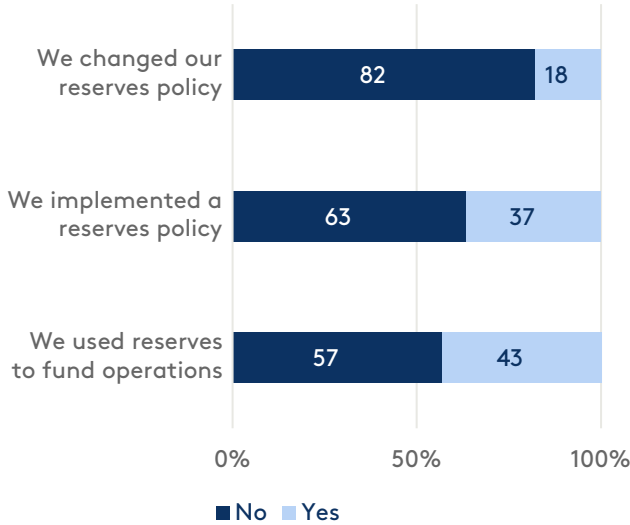
“I think one of the challenges we’ve got right now is building efficiencies so we can make money. It’s not about having less staff, it’s about delivering that in a more efficient way.”

“We don’t feel that funding represents what’s needed for children with disability needs. We know we put in a significant additional investment on top of what we get.”

– NFP Study respondents

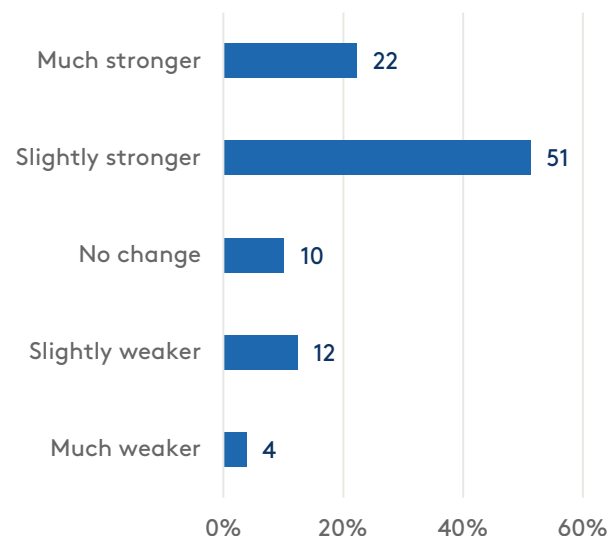
Financial reserves (in %)

Most NFP organisations did not need to adjust their financial reserves policy within the last financial year (82%) although a substantial proportion (43%) had used reserves to fund their operations.



Base = 828 to 939

Financial position (three-year forecast; in %)



Base = 985

The majority of NFP organisations had a positive outlook, 73 per cent forecasting a slightly, or much stronger financial position in three years.

Most of those forecasting a weaker financial position thought it would only be slightly weaker (12%).

“More money isn’t the sole answer in this case at all. It’s also having skilled people.”

– NFP Study respondent

❓ QUESTIONS FOR CONSIDERATION

1. Is our current business model financially sustainable?
2. Is our organisation too reliant on existing sources of funding?
3. Would our organisation have the financial reserves to survive another ‘black swan event’ in the near future?
4. Are we getting accurate and timely financial information and do our directors understand it?





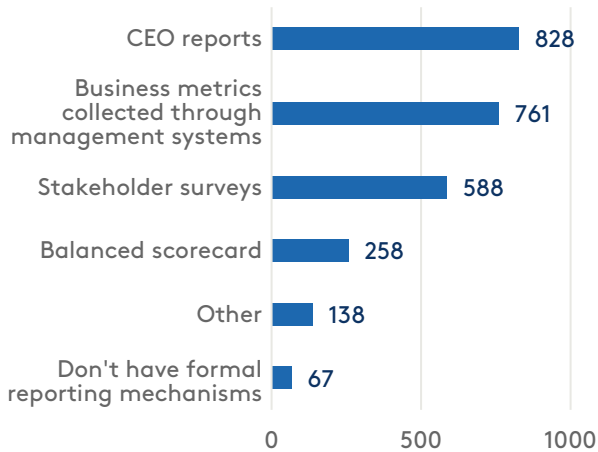
KEY FINDING FOUR: Focus on Purpose



For organisations in the NFP sector, mission and purpose is core. While purpose is usually clearly defined, the ability to measure the effectiveness of an organisation’s purpose is not always present. Some organisations are still working on methods to measure their progress towards achieving their purpose.

While concepts such as ‘quality of care’ are simple, these are not easy to implement consistently, across locations and time. Despite this, respondents reported confidence towards their organisations’ capacity to achieve their missions. Respondents assess their boards as performing well and report they are, overall, using metrics to measure their effectiveness.

Methods for measuring effectiveness



Base = 1074
Note: respondents could select more than one response.

CEO Reports and business metrics are the most commonly used methods to measure effectiveness. Stakeholder engagement through surveys is also useful for directors and part of the top three.

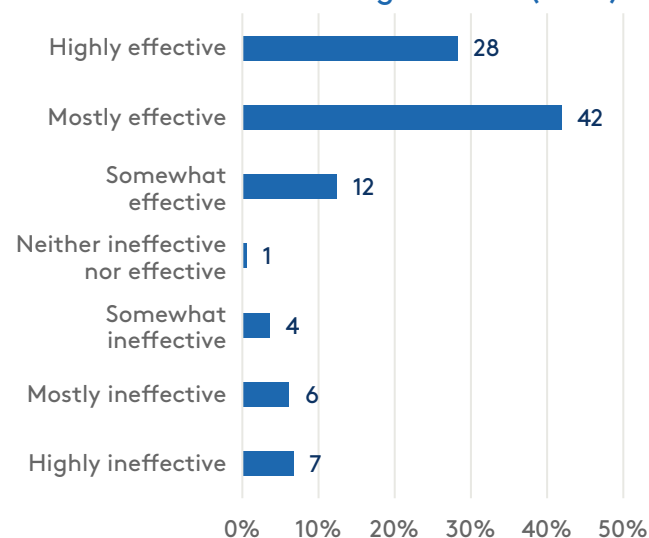
Some of the ‘other’ methods mentioned by respondents included stakeholder engagement, conducting audits and reviews, having KPIs against the strategic plans as well as using regulatory compliance and accreditation systems.

“It’s made an incredible difference to have a CEO and a chair who are on the same page about our purpose and that obviously was woven through our strategic planning process.”

“We get regular reporting against our strategic plan, and we’ve set ourselves some KPI’s against that”

– NFP Study respondents

Effectiveness in achieving mission (in %)



Base = 1071

Seventy per cent of respondents found their NFP either mostly (42%) or highly (28%) effective in achieving its mission.

A minority (17%) thought their organisation was ineffective in achieving its mission to some extent.

“One negative from the increased focus on governance is trying to sort out the board/executive relationship. I think a lot of organisations are struggling with that. It’s a bit of a dance I think it has exacerbated the tension between boards and executives.”

– NFP Study respondent

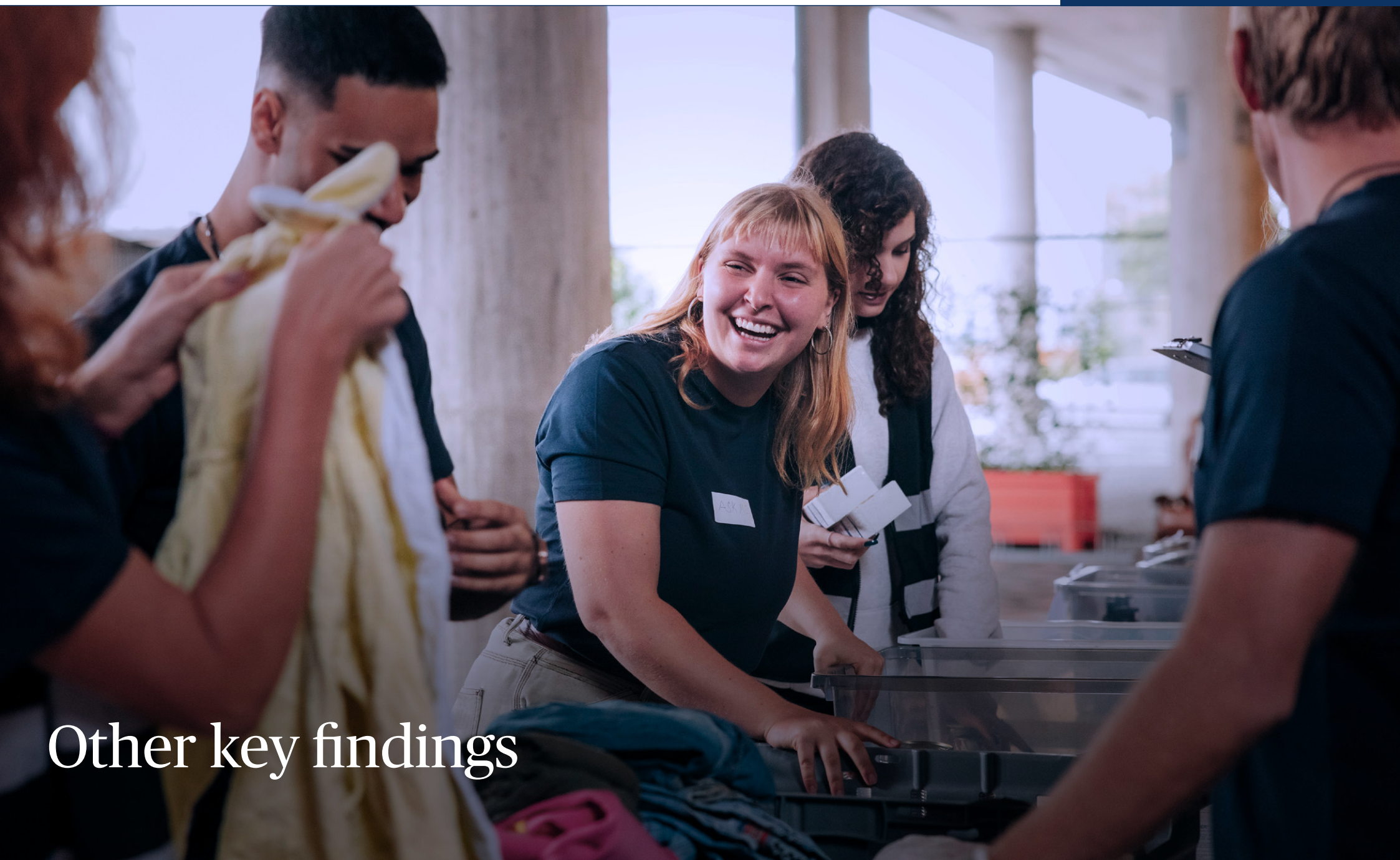
② QUESTIONS FOR CONSIDERATION

1. Has our purpose evolved since it was conceived?
2. When did the board last revisit our purpose statement to ensure it remains relevant?
3. How well are we monitoring performance towards our purpose?
4. Are we receiving the right information?
5. Is our organisation still best placed to achieve our purpose or could another organisation be more effective?

RELATED READING

[Impact measurement and governance: an AICD resource for NFP director](#)



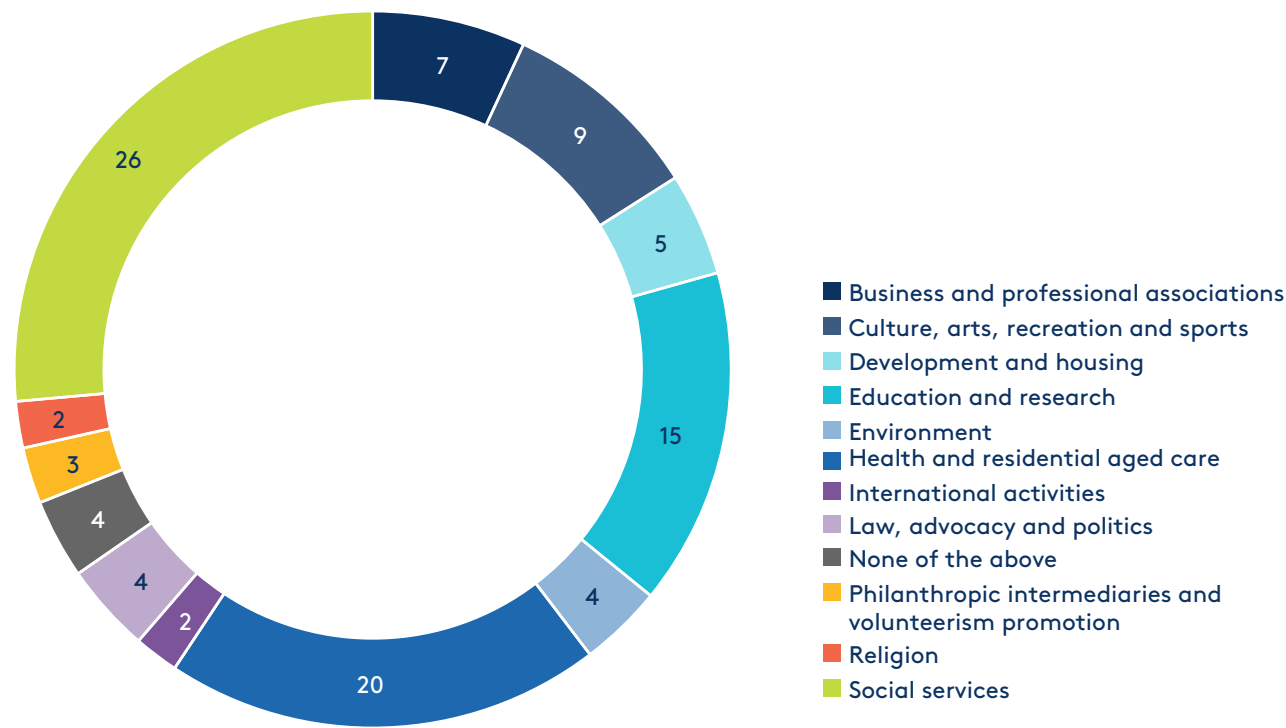


Other key findings

STRUCTURE OF NFPS

Just over three quarters (77%) of survey respondents were from the social services (26%), health and residential aged care (20%), education and research (15%), culture arts recreation and sports (9%), and business and professional associations (7%) sub-sectors.

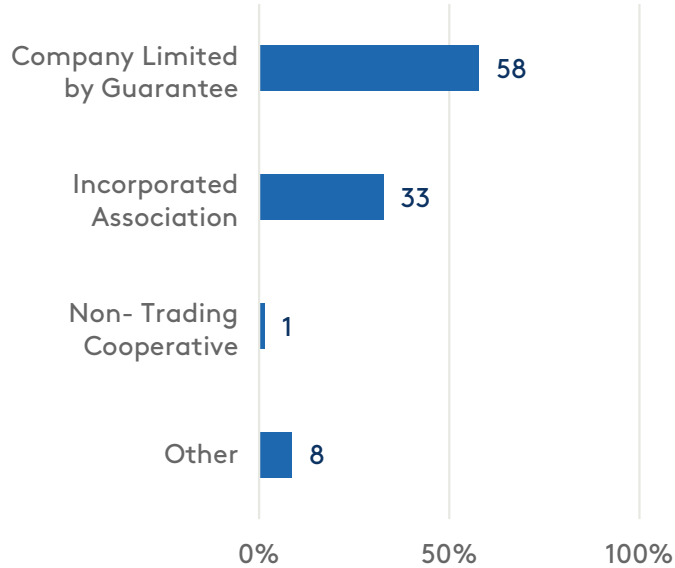
Sub-sector (in %)



Base = 1143

Note: some NFPs also covered multiple sub-sectors within their mission.

Organisation’s legal structure (in %)

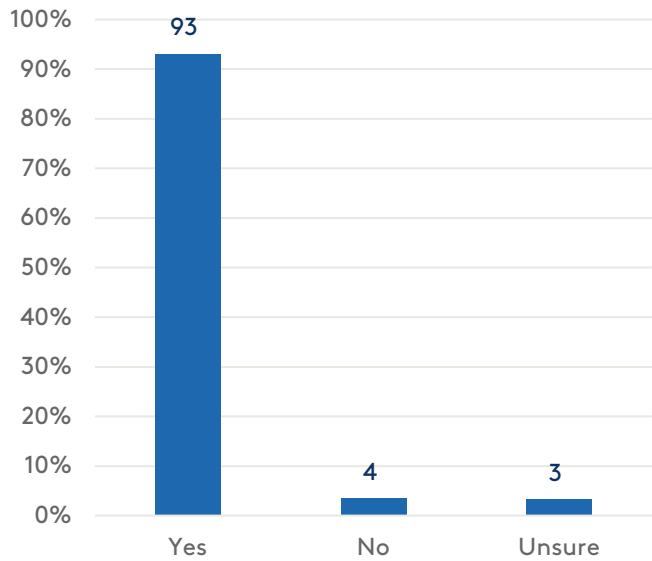


Base = 1079

Most of the surveyed directors were from a NFP organisation that was established as a company limited by guarantee (58%) or an incorporated association (33%).

Some of the ‘other’ legal structures of respondents included; statutory corporations, public agencies or entities (federal, state or local level), charities registered with ACNC, trust (statutory or not), and unincorporated associations.

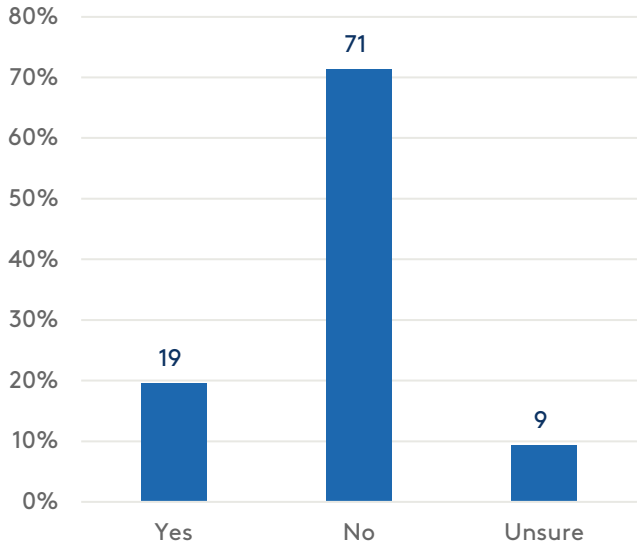
Legal structure enabling the organisation to achieve its purpose (in %)



Base = 1080

Almost all (93%) of organisations believed their legal structure enabled their organisation to achieve its purpose.

Part of a federated structure (in %)



Base = 1078

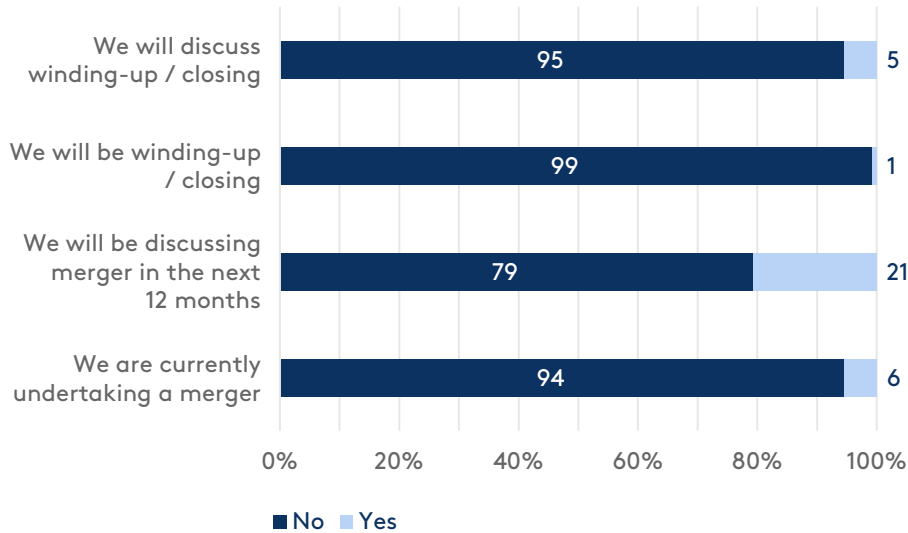
A minority of NFP directors surveyed (19%) report that their organisation was part of a federated structure.



MERGERS

The increased rate of mergers previously expected has yet to materialise. The implementation of the royal commissions recommendations may change this in the coming years.

Mergers and winding up (in %)

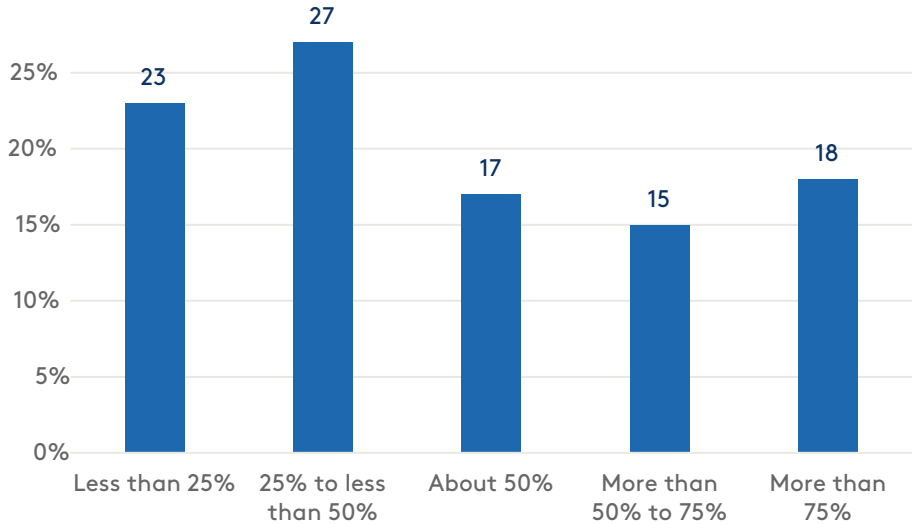


Base = from 928 to 950

A very small proportion of organisations report they will be winding up (1%) or discussing winding up (5%) within the next 12 months.

Just over a fifth of NFP organisations (21%) are discussing a merger, while only six per cent are currently undertaking a merger.

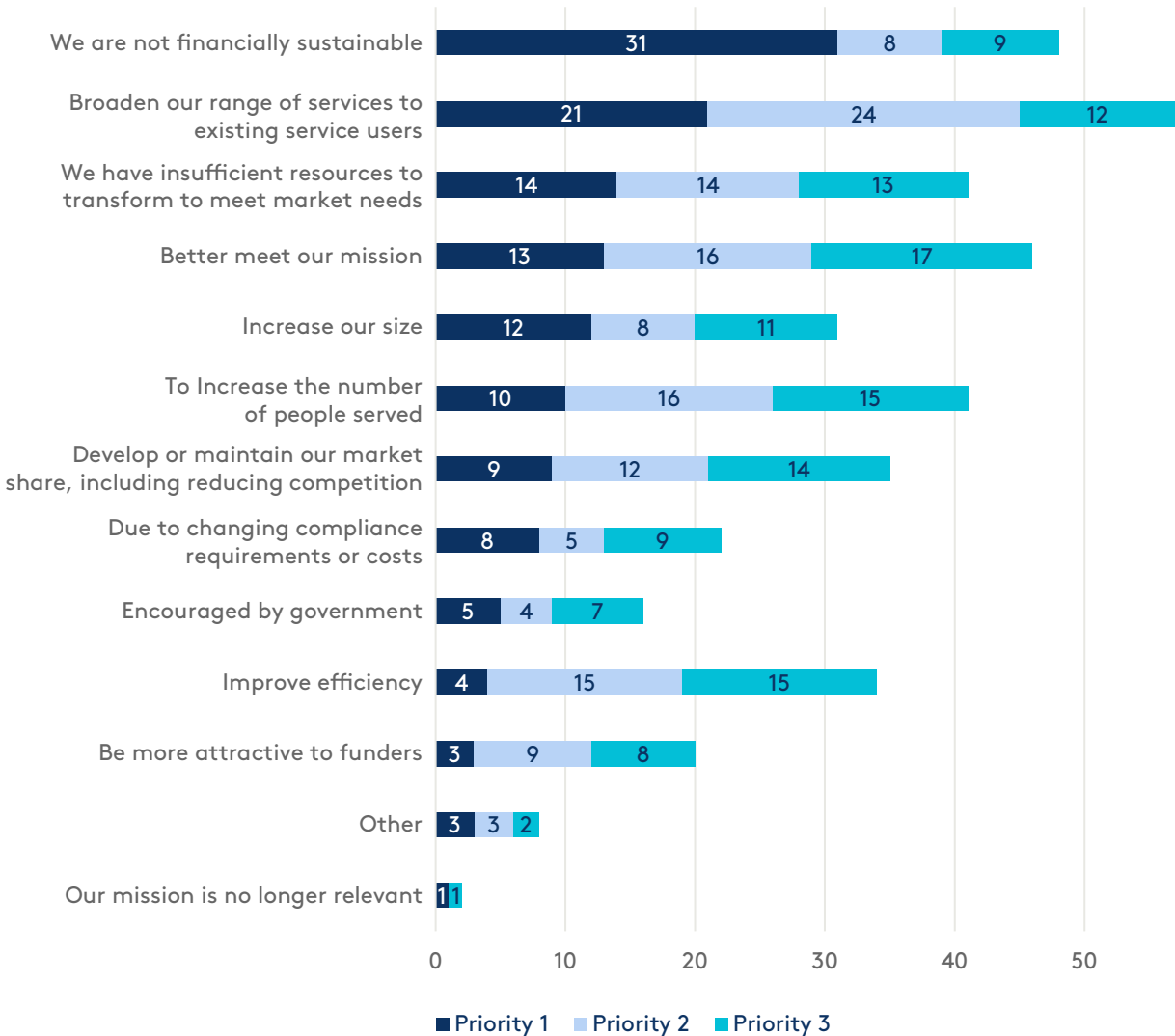
Probability of mergers (in %)



Base = 185

Of those NFP organisations who reported merging or discussing merging within the next 12 months, half (50%) report the chance of merger is less than 50 per cent.

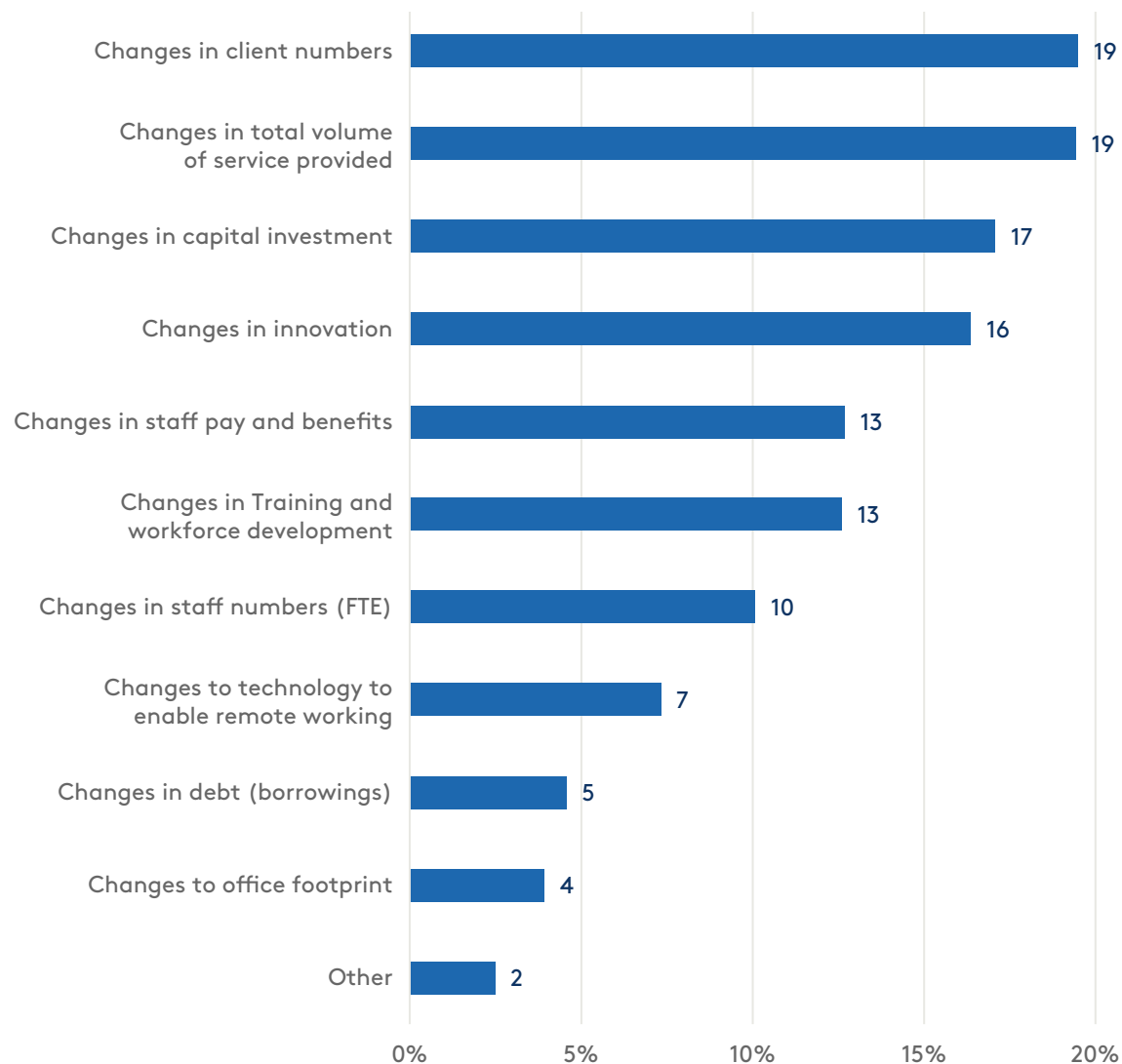
Reasons for mergers or winding up



For organisations undertaking mergers, considering mergers, or winding up, the top four reasons featuring most frequently were to 'broaden the range of services', to improve financial sustainability, 'better meet our mission' and 'increase the number of people served'.

Base = from 2 - 57

Changes expected over next 12 months (in %)



Base = 1030

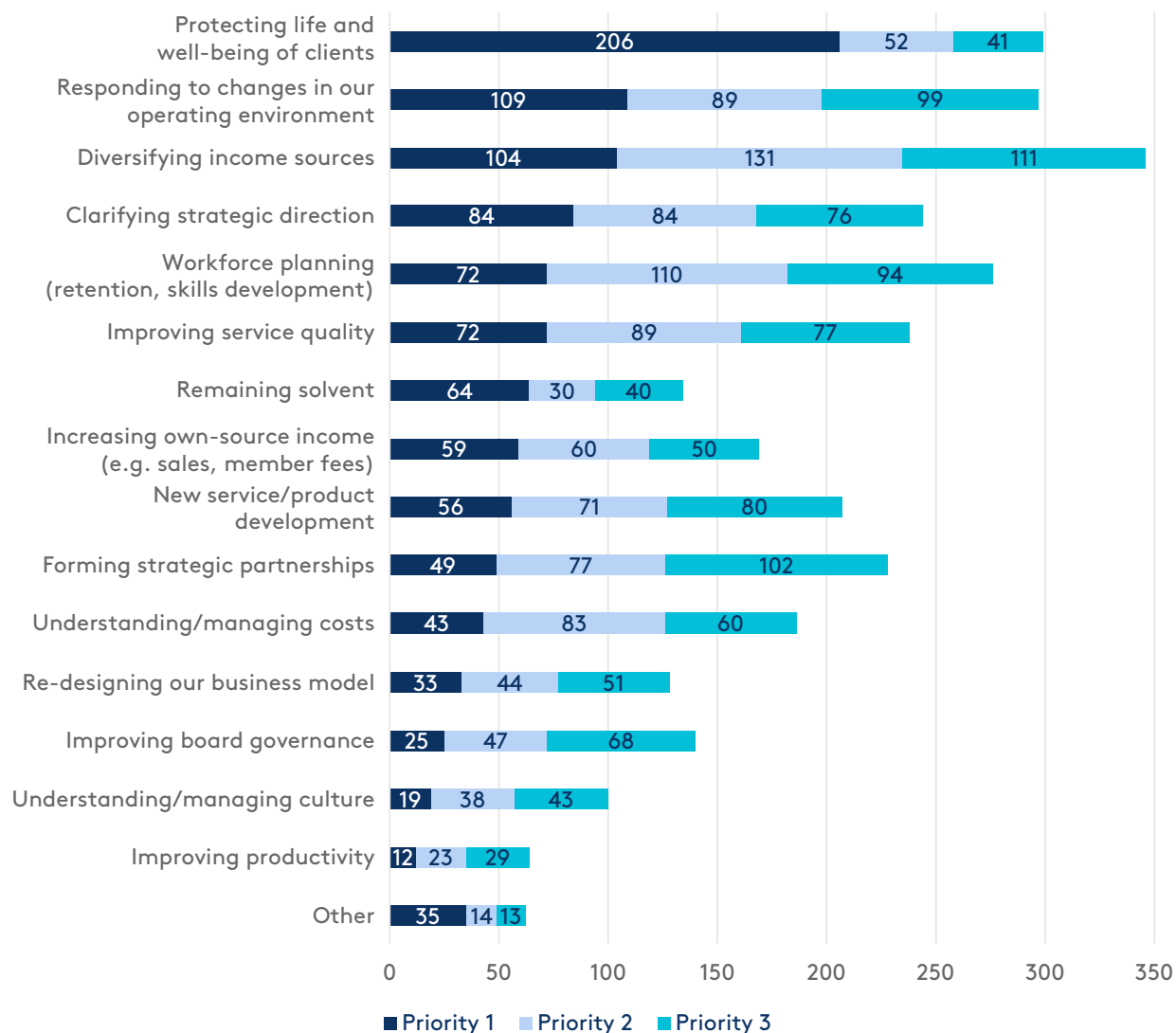
The NFP sector is anticipating changes in the overall volume of services they will need to provide, including changes in their client numbers (38%). The flow-through if service volume increase may also be a reason for the sector's focus on changes in capital investment (17%) and innovation (16%). Workforce and staffing aspects also feature prominently. Taken together, 43 per cent of organisations expect changes relating to staffing including pay and benefits, training, staff numbers and remote working.

The NFP organisations expected 'other' changes including changes in fundraising, grants and income, changes to strategic and operational plans, changes in governance, structural changes (number of sites, members and assets) and changes in regulatory compliance requirements

Top three priorities for organisations in the next 12 months

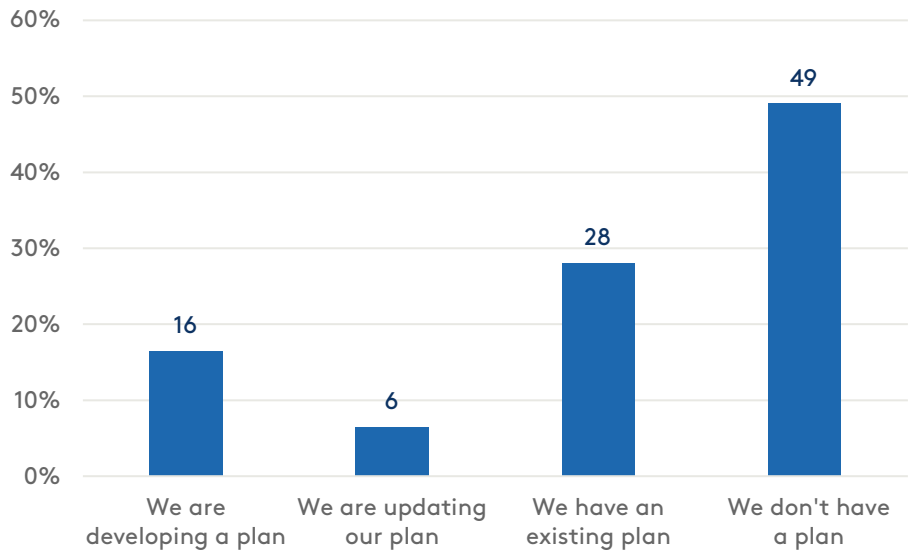
'Diversifying income sources', 'protecting life and well-being of clients' and 'responding to changes in the operating environment' were most frequently included in respondents' top three priorities for the next twelve months. 'Improving productivity', 'understanding and managing culture' and 'improving board governance' were least likely to be priorities for NFP organisations.

The respondents indicated some 'other' priorities including growth in scale, scope or location, increasing fundraising, grants and contracts and managing infrastructure projects.



Base = 1480

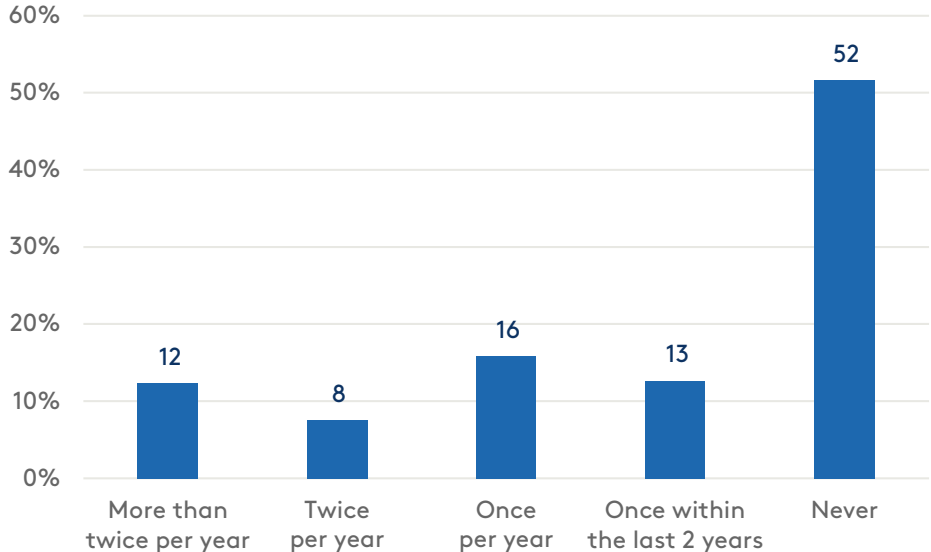
Status of Reconciliation Action Plan (in %)



Base = 934

Just under half (49%) of respondents do not have a Reconciliation Action Plan. The remaining respondents either have an existing plan or have a plan in development

Climate Change Governance (in %)



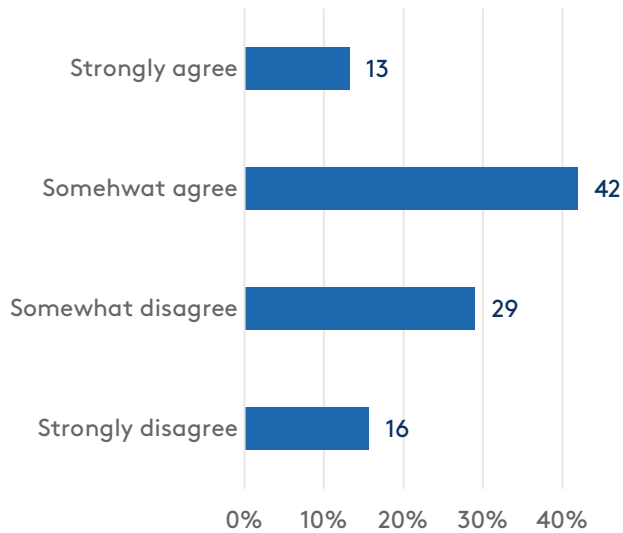
Base = 941

More than half (52%) of organisations reported governance of climate change never appears on their board's agenda.

RELATED READING
Climate Governance for NFP Directors: Starting the Journey to Net Zero

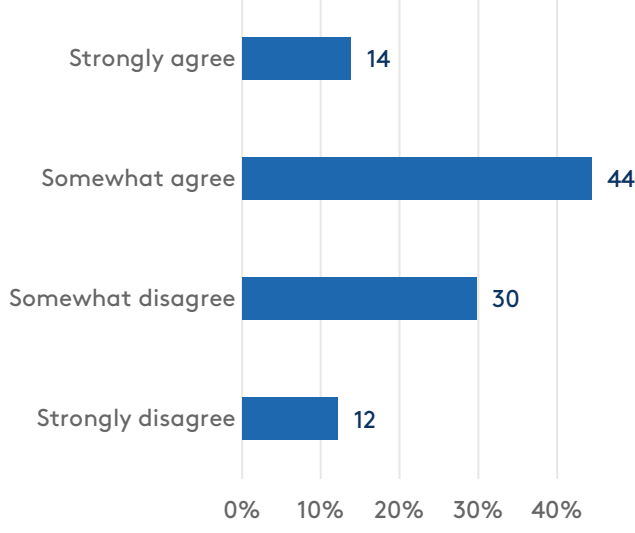


Knowledge and experience to address climate governance issues (in %)



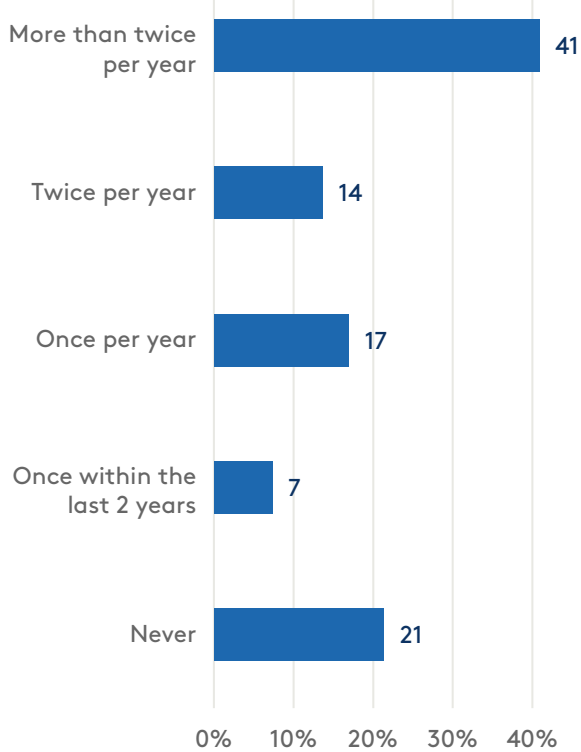
Fifty-five per cent of respondents somewhat or strongly agree their board has the knowledge and experience to adequately address the climate governance issues facing the organisation. This is a decrease from last year's 60 per cent.

Increased attention on climate change governance (in %)



Fifty-eight per cent of respondents somewhat or strongly agree their board should increase attention to climate governance.

Environmental, Social and Governance (ESG) on the agenda (in %)



Environmental, social and governance issues feature on the boards' agendas more than twice per year for almost half (41%) of respondents and never for 21 per cent.

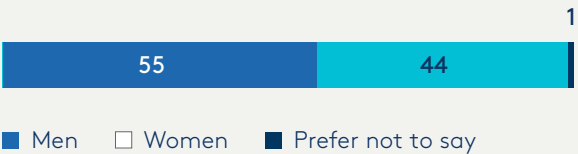
RELATED READING

[A director's guide to mandatory climate reporting](#)



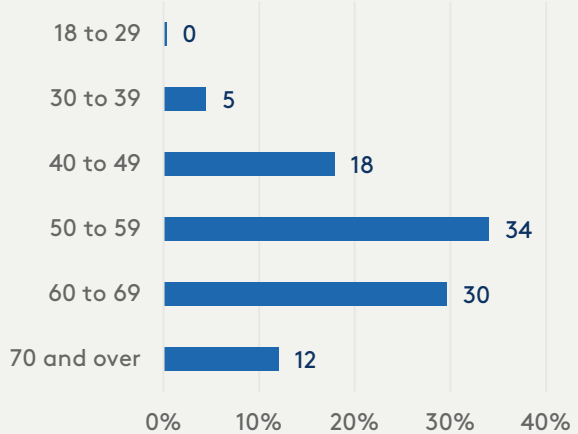
Survey demographics - Breakdown of survey respondents

Gender(in %)



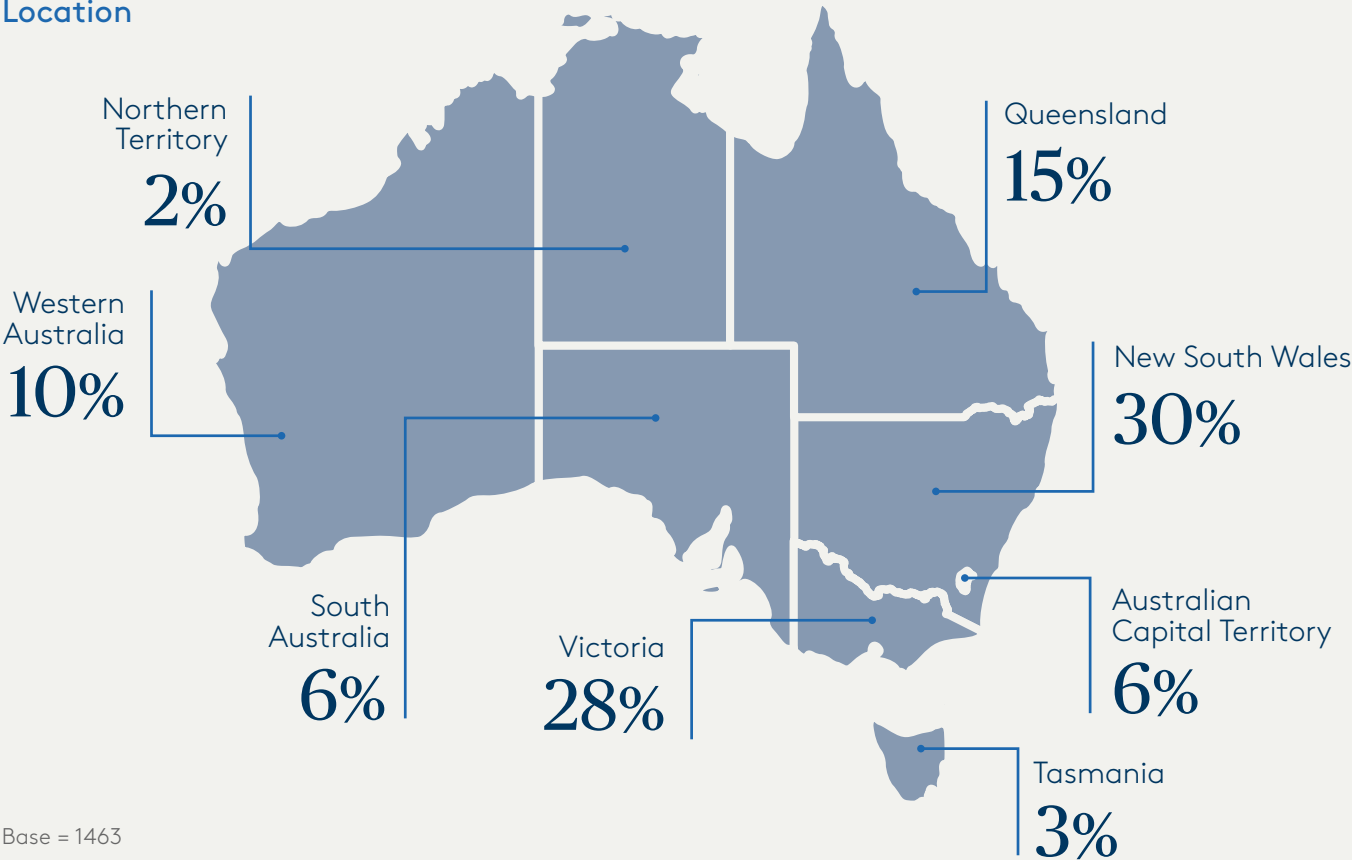
Base = 1464

Age (in %)



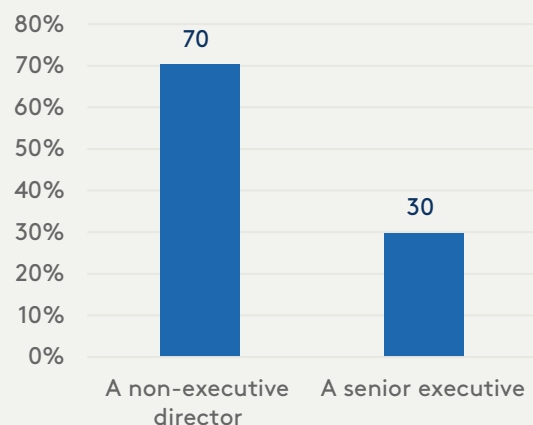
Base = 1464

Location



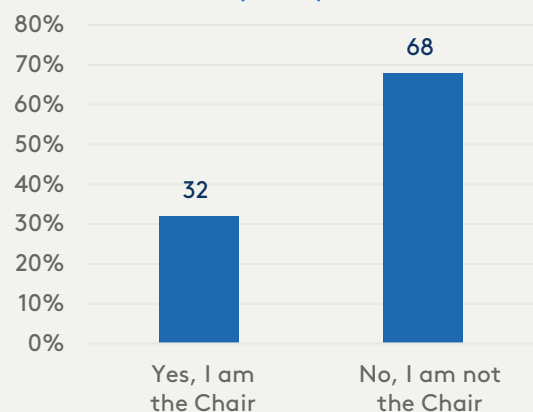
Base = 1463

Director or senior executive respondents (in %)



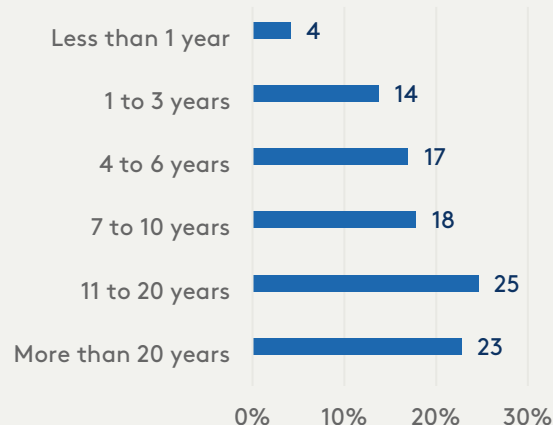
Base = 1175

Chair of board (in %)



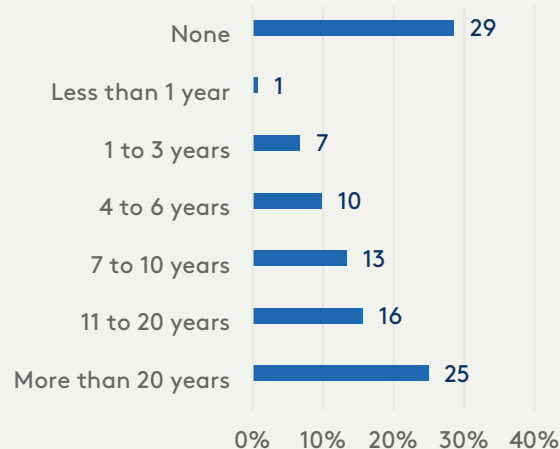
Base = 726

NFP experience (including current and previous directorships; in %)



Base = 1158

For-Profit experience (including current and previous directorships; in %)



Base = 741

NFP sub-sector breakdown (in %)



Base = 1143

Methodology

The Australian Institute of Company Directors (AICD) partnered with Piazza Research Pty Ltd to conduct the Not-for-Profit Governance and Performance Study 2023-24.



Survey design and data collection

The 2023-24 FY questionnaire was designed to maintain continuity with last year's survey while some alterations and updates were needed. The survey questions were checked against 15 technical quality checks to eliminate any issues which could impact question validity.

The questionnaire was loaded on the AICD's secure Qualtrics survey platform which was used for data collection.

Sample design

The AICD membership database was the sampling frame for the survey. The survey was sent to all members and a screener question was used to filter respondents who not-for-profit (NFP) non-executive directors were.

For the first time this year, an open survey link was also made available through social media (LinkedIn). This was to reach further than the AICD database members. In total, eighty-nine respondents accessed and completed the survey this way.

Of AICD's more than 52,000 members, approximately 21% nominate that their main role to be within the NFP sector. The survey was distributed to all AICD members (and open for non-members to complete), and there

were 1,391 responses to the survey. For the 95 per cent (95%) confidence interval, this provides overall results accurate to within a +/-2.0% margin of error.

Data processing and analysis

The returned survey data was analysed using Q Statistics software and MS excel. Descriptive statistics have been provided in tabular and graphical format and included in this report. When measuring central tendency, five per cent trimmed average was mostly used to remove skews caused by extremely high or low results. For questions not affected by extreme outlier results the simple average (mean) was used. In this case it has been noted in the analysis description.

Focus groups

In addition to the survey, Piazza Research conducted focus groups with NFP non-executive directors across Australia, exploring issues related to this survey. A separate report has been provided to highlight the issues of consensus raised during these discussions.

This report was produced by Piazza Research Pty Ltd for The Australian Institute of Company Directors
Lead Consultants: Mathilde Lamerton, Grant Piazza.
Project reference number: #AICD_ 21082023



ABOUT US

The Australian Institute of Company Directors is committed to strengthening society through world-class governance. We aim to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society. Our membership includes directors and senior leaders from business, government and the not-for-profit sectors.

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For more information

T: 1300 739 119

E: policy@aicd.com.au



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