Below is an open letter from Graeme Phillipson to the ACS Management Committee summarising the many complaints members and ex-members have about the organisation's strategy and tactics. It has also been emailed to all members of the committee.

Dear ACS Management Committee member

This is a difficult letter that I wish I did not have to write. At the same time, I think it is one of the most important things I have ever written.

You know me as a long-standing IT journalist, market analyst and industry historian who has been covering recent events at ACS closely through my articles in iTWire.

These articles have attracted significant attention, much more than I would have thought. As a result of my writing them I have been continuously contacted by many ACS members and previous members. Many have called me to find out what is going on (in the almost total absence of any meaningful communications from ACS). Many others
have called to give me their opinions on what is happening and to supply snippets of information, much of it in confidence. These morsels have gone a long way to fill in the wide gaps between ACS’s astonishing failure to communicate what is actually happening.

Most of the people who have contacted me are not members of the Rescue Our ACS group, though many are. This group comprises a very impressive list of senior ACS members, and has promoted its views to me, which I have in some cases published. Some members of this group have been very vocal. I am sympathetic to their views, but as a journalist I have always tried to give both sides of the story.

Unfortunately, this is becoming increasingly difficult, because ACS refuses to talk or even attempt to justify its behaviour. I suspect this is because so much of it is indefensible. ACS is demonstrably lacking in transparency in its activities. My attempts to contact the President and CEO for comment are stonewalled, and it is increasingly obvious that the ACS Management Committee is not only refusing to give out information but is actively preventing its dissemination.

I also write as a concerned ACS member. My relationship goes back a long time. I was founding editor and partner in the company which published Information Age magazine back in the 1990s, under the late and great John Hughes (what a wonderful man). I even briefly edited the ACS magazine way back in the 1980s under the late and great Bob Rutledge. I have spoken at many ACS events over the years, and in 2010 I was commissioned by ACS to research and write a detailed 64 page analysis of the carbon footprint of the entire Australian IT industry. It was a great report, dare I say. Then in 2016 I was commissioned by ACS to write the first ever comprehensive history of the Australian computer industry, which was also well received.

This background, and the articles I have written since the abortive EGM last October, have placed me in a unique position. Because of the many conversations I have had with senior members, I know an enormous amount about what is going on, despite the Cone of Silence that has descended over Barangaroo. I have a wealth of information, much of it off the record. All this means I have become a player, as well as an observer, which is not a position I wished to be in. But given I am in that position, I feel I should try to use it to help improve things. Hence this letter.

Below I attempt to outline the many concerns that people have expressed to me about ACS, all of which I share as a member and as a keen and reasonably knowledgeable observer of Australia’s IT industry. I am writing this as an open letter, sent separately to each member of the Management Committee. It is also being published in iTWire. My thanks to iTWire’s editor and publisher for allowing (and indeed encouraging) me to pursue this matter.

I do not expect a response from any of you, though I would welcome one, either publicly or personally. If you reply to me personally, I promise I will respect any confidences and off the record remarks that you might share with me. Perhaps you should respond on your private email address, lest Big Brother look over your shoulder.

Everybody wants a healthy and successful ACS. That would be good for its members and good for the Australian IT industry. Instead we have an organisation crippled by infighting, riddled with arrogance (even hubris), losing its members and its credibility, pissing just about everybody off, yet seemingly oblivious to all this and unable or unwilling to change. The once great ACS has become a soap opera.

There are five key issues concerning the many people I have spoken with. Any one of them would be a major problem. The fact there are five matters of issue indicates the organisation is in serious trouble:

- The commercialisation of ACS and its move away from servicing members.
- The alarming decline in professional membership numbers.
- The truly inexcusable irregularities of the abortive EGM last year and the fact that nobody has been held to account.
- Alarming financial profligacy.
- The almost total lack of transparency — amounting to secrecy and even suppression of the truth — surrounding ACS’s current activities and the organisation’s seeming inability or unwillingness to engage with members.

I will address each of these in turn.

**Commercialisation**

The current Management Committee, led by Andrew Johnson, has pursued a strategy of unashamed commercialisation over the last five years or so. As measured by the P&L, this has been very successful. Revenues and profits are way up, allowing levels of activity and expenditure unimaginable to the ACS of old.

But at the same time the number of professional members has declined sharply. It’s interesting to measure the decline in professional membership measured against the increase in revenue over the last decade or so. I have compiled two interesting charts, based on the ACS’s own data, which might suggest a correlation between the two.
Poor governance and lack of accountability

Anybody who has read Justice Wigney’s damning indictment of ACS management in his judgement of 23 December 2019 can easily see that three individuals were guilty of the most egregious offences against the most basic precepts of corporate governance. Singled out were company secretary Andrew Madry, CEO Andrew Johnson, and then President Yohan Ramasundara. Madry left shortly after, under circumstances that were, typically, never disclosed. Johnson and Ramasundara stayed on. They are still there.

This move to commercialisation accelerated in 2019 with the acquisition of the Association for Data-Driven Marketing and Advertising (ADMA) and other organisations with marketing driven aims antithetical to the ACS charter. A year earlier it acquired incubator River City Labs, another distraction from what should be the ACS’s core activities.

Declining professional membership

This second issue is related to the first – see chart above. As ACS has become more commercial, it has lost touch with its roots. This is of course denied by the ruling clique, but it is demonstrably the case, and easily illustrated by the massive decline in professional membership in recent years. If ACS was doing its job even halfway properly this would not have happened.

In the seven years I have measured, the number of voting members has declined by more than half. The number of professional members is down by almost two thirds. Associates are leaving at almost the same rate as full members. The argument that more money means more services for members is demonstrably false — if ACS were servicing its professional members properly it would be attracting new members, not driving existing ones away.

This is a damning indictment of ACS management over this period. It cannot be a coincidence that the decline in professional membership almost exactly dates from the change in strategy from a concentration on member services to external commercial activities. Excuses about changes in criteria for professional membership are total bullshit. Since the day it was founded ACS has had something of a problem of reconciling the academics that bought it into creation with the commercial world. Once upon a time it did a reasonably good job of doing so. Now it is just all about money.

ACS’s inclusion in its quoted and bloated membership numbers of Professional Year and Overseas Skills Preparation Program individuals is scandalous. These people have no choice in being included as members, and the very fact that they cannot vote indicates how their status is regarded. By no means can they be regarded as true members of ACS. By quoting these numbers ACS is attempting to hide the real picture, and has managed to fool some the people some of the time.

Over the last five years I have spoken to many senior people in the industry who have left ACS because they felt it no longer served their interests. This is not trivial or anecdotal. These are serious individuals who have felt let down. They should be at the core of the organisation, but they have left it behind, because it has ceased to represent their interests or promote their profession. They are lost forever.

The numbers speak for themselves. No amount of excuses, justifications, obfuscation or downright lies can hide the fact. As the number of people employed in the IT industry has grown, the number of them belonging to ACS has declined. The most recent ACS Deloitte Digital Pulse report, promoted by ACS, shows the technology workforce in Australia now exceeds 750,000 people. Less than 2% of them are ACS members. How pathetic.
No one was ever called to account for this unethical and immoral, and almost certainly illegal, behaviour. ACS’s costs, for its own legal fees and those it was forced to pay to those who bought the case, was in excess of $500K and would probably be seen to be closer to $1 million if ACS were to ever actually disclose the amount.

If this had happened in any commercial organisation (such as the ACS claims to be) the culprits would have been dismissed immediately. In the alternative universe inhabited by the ACS Management Committee, this was a minor glitch. The statement issued by ACS about the matter in early January was a masterpiece of obfuscation, couched in the passive voice so as to avoid apportioning responsibility to anybody. It just happened. Mistakes were made. Sorry.

No mention of the meeting being stacked with ACS employees who are nowadays automatically given Associate and hence voting membership status. No mention of the vote tampering through the shonky refusal to accept proxy votes.

This arrogance continues today. The pathetic half-apology and the subsequent total failure to acknowledge responsibility is symptomatic of a much wider failure of corporate governance that still emanates from the clique running the Management Committee.

The Management Committee seems to have adopted a strategy of ignoring protests from members about the lack of accountability, hoping that they would go away and that those responsible for the disastrous EGM and its annulled vote could ride out the storm. Instead, the collective inaction is only making things worse. More than six months later the howls of protest have risen to a crescendo.

All evidence currently points to a factionalised stand-off within the current Management Committee that is making any progress difficult. Many argue that the CEO should not be on the Management Committee - he should be taking direction from it and be answerable to it. After some months Johnson resigned, leaving immediately, but now appears to be back. No one seems to know the full story and ACS is certainly not telling it. Maybe it is now time he spent more time with his family or pursued other opportunities. We thank him for his service and wish him well.

There are arguments for and against the CEO being on the Management committee. But there is no question that the current Past President (Ramasundara) should not be on it - he should have been disqualified immediately from any further role after the judge's ruling in the court case last December.

**Financial profligacy**

ACS’s financial success in recent years, driven by its monopoly on accreditation, has led to vastly increased expenditure. Many have questioned the expense of the opulent office space in Barangaroo in Sydney and Docklands in Melbourne. But more concerning is the expenditure on activities marginal to the Society’s activities, or at best extravagant. They may be comparatively trivial examples, but they are further indication of the lack of accountability which nowadays permeates ACS.

Former ACS President and CEO Ashley Goldsworthy (the only person to have held both offices) has summarised these succinctly and has repeatedly sought answers to a number of quite reasonable questions concerning extravagant and irregular expenditure. Needless to say, the questions have never been answered. I quote Goldsworthy’s questions verbatim:

- Which members of the Management Committee attended the Consumer Electronics Show in Las Vegas last year at a cost to ACS? What did it cost the ACS? I am reliably informed that all flew Business Class. Is this correct? What benefits flowed to the members as a result of this expenditure?
- How much did Johnson’s trip to Silicon Valley in 2019 cost the ACS? What benefits did it bring the ACS?
- What assets did ACS acquire in the purchase of ADMA? What did it cost the ACS? What was the purpose behind the purchase? What benefits did it bring the ACS?
- Ramasundara, as President of the ACS, hosted an overseas visit by several federal politicians. What did it cost the ACS? What benefits did it bring the ACS?
- What did it cost ACS to become a member of the Davos World Economic Forum? What was the cost of ACS funded attendees at WEF in Davos? What benefits did it bring the ACS?
- In September 2019, after the close of the financial year, the ACS purchased assets of the following businesses – Institute of Analytics Professionals of Australia; Digital and Technology Collective; Data Governance Australia. How much did ACS pay for these assets? What was the reason for purchasing those assets? What were the assets?
- Was any due diligence done on the purchase of River City Labs or any of the above, including ADMA? What did that due diligence reveal?
- Other professional societies reveal in their annual reports the remuneration of directors and senior executives. What is the remuneration (including bonuses) of Johnson and each of his direct reports?
Some of these questions are very concerning, as is the point-blank refusal of ACS to answer them. Privacy concerns have been mentioned as one excuse, which is a smokescreen. The arrogance and lack of accountability is astonishing. What on earth is ACS doing joining and attending the World Economic Forum? Talk about delusions of grandeur.

**Lack of transparency and member engagement**

ACS claims to be a member-based organisation. Its behaviour shows clearly that it has become no such thing. The precipitous decline in professional membership is in itself sufficient to demonstrate this. There is much more evidence, if any is needed, regarding the poor behaviour of the Management Committee in recent years. Read the litany of failure above.

The Management Committee has become a law unto itself. As the court case last year illustrated, the interests of ordinary members mean little. The perpetuation in power of the ruling clique is a much more important activity. The unannounced return of Andrew Johnson as President is a good example of this. So is the blackballing of Roger Clarke from being allowed to stand as President in the ‘election’ in March.

The failure to address the above issues, or even acknowledge members’ concerns about them, gives the strong impression of a Management Committee that is arrogant, secretive, and out of touch. Failures are glossed over, difficult questions are simply ignored, and achievements cherry picked from failures to give the impression of success.

It’s all reminiscent of a Communist dictatorship, which gives lip service to glorifying the proletariat while the Nomenklatura please themselves and help themselves, in a self-perpetuating bubble of unaccountable privilege.

**Conclusion**

If you’ve read this far, I thank you for your patience. In this letter I’ve tried to sum up all the concerns that many people have expressed to me about ACS and its direction, and those that have become apparent to me from all the people I have spoken to. These very valid concerns need summarising succinctly, which I hope I have done, and they need to be out in the open.

I know there is no easy solution, but an acknowledgement of the problems and the concerns would go a long way towards fixing things. The lack of appreciation of the problems and any willingness to work towards their solutions is astonishing. Truly astonishing.

Burying your head in the sand and hoping it will go away, as many people on the Management Committee appear to be doing, will not work. Indeed, it is entirely counter-productive. You do not seem to understand the gravity of the situation, nor how it is being made worse by your actions (or lack of them).

An enormous amount of it boils down to a need for greater transparency and better communication.

Australia, and the Australian IT industry, needs the ACS. You are destroying it.

The sad thing about it is that it is all so unnecessary.

Regards and thank you for your attention.

Graeme Philipson

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