ACS in turmoil as numbers and expenditure questioned

By Graeme Philipson

ANALYSIS The Australian Computer Society, the industry association for Australia’s computer professionals, is in disarray. The organisation is without a President, there are calls for the CEO’s resignation, and serious doubts have emerged over the organisation’s finances and its capacity to properly represent the profession.

Discontent has been brewing for some time but has been brought to a head by recent events.

Last year ACS attempted to transition from an Incorporated Association to a Company Limited by Guarantee, a structure often used by charitable and not-for-profit organisations.

The change was promoted by the Management Committee as the best way to make the organisation more commercial. But many members want it to retain its focus on representing individual IT professionals.

The changes needed a 75% vote in favour at a Special General Meeting. ACS management called the meeting and won – by just a single vote. Only 747 of ACS’s 10,000 full members voted. The results were challenged by those who voted against the change, led by Canberra academic and consultant Roger Clarke. On 23 December Justice Wigney in the Federal Court in Canberra found against the ACS.

iTWire has previously published a full timeline of events. (/it-industry/acs-loses-major-court-battle-over-irregular-vote.html)

The damning judgement declared that the meeting and the resolution it passed were invalid, on the basis that ACS members had not been adequately informed of the proposed changes, and that there were significant irregularities in how the meeting was held and in the voting procedure.

The ACS is without a President and some of its state and territory branches are without officeholders, because it was assumed the new structure would be in place by the beginning of this year and elections were never held. CEO Andrew Johnson has now embarked on a national roadshow explain the Management Committee’s intentions.
The first event was held in Brisbane on 30 January. It did not go well, dissolving into acrimony and name-calling. It was called a 'Strategic Update', but many attendees were concerned that it concentrated on the past rather than the future.

One prominent attendee was Professor Ashley Goldsworthy, now in his very active 80s and the only person to have been both ACS President (1974-76 and 1982-83) and CEO (1990-94). He is also a former Federal President of the Liberal Party of Australia, and has long been a vocal critic of the organisation's direction and how it is being run.

"There was no real information at the meeting," Professor Goldsworthy told iTWire. "It was all about the management, and not the members. They won't answer questions. The whole process has been a disgrace. Andrew Johnson has to go."

He is also called for the entire management committee to be sacked. He said he had sent a number of requests to Johnson for more information about the ACS's expenditure on such things as the cost of spending members of the management committee to the World Economic Forum in Davos and the consumer Electronics show in Las Vegas, and buying co-working company River City Labs.

He said he has tried to meet with Johnson face-to-face, to no avail, and that he has not had adequate responses to his queries. He did receive one email from ACS Director of Corporate Affairs Troy Steer, which he told iTWire was "such rubbish I was easily able to tear it apart."

There are also serious questions over ACS's membership numbers and sources of revenue. ACS claims over 41,000 members but has not published details of who they are. Another ACS member at the 30 January Brisbane meeting was Martin Lack, a Fellow of the Society and very active in Queensland IT circles.

Lack has compiled detailed statistics on ACS membership numbers over the past five years, based on data ACS management has provided to various branch committees. He distributed this to all attendees at the meeting and has since shared it with iTWire.

ACS has a number of different membership types. There are three professional grades: Members, Senior Members and Fellows. Overall, professional member numbers have fallen 45% over the last five years, from 8,155 to 4,756. There are also 5,346 Associate Members – Australian IT professionals who do not meet the more rigorous requirements of full membership. Their numbers have declined 30% from 7,819 over the last five years.

ACS has been assisting the Federal Government assess overseas ICT people for decades (the original program was actually set up by Ashley Goldsworthy in the 1980s). It is now called the Overseas Skills Preparation Program (OSPP). In October 2017 ACS started providing 'membership' for one year to OSPP participants – all based outside of Australia.

The number of OSPP members has now risen to 25,588, though the figure has declined significantly after peaking at 28,887 in December 2018. The data shows that very few renew after their initial year. There are also 7,231 'Professional Year' members – a scheme enabling international IT graduates from Australian universities to gain more ICT skills in that year and so assist them to obtain a working visa.

If correct, or even approximately so, these statistics raise serious questions about the nature of ACS membership. Of the '41,000 plus' members claimed by ACS, only the 10,000 or so professional grade members and Associates have voting rights. All the rest are non-voting.
members, the great majority of them living outside of Australia, who have had temporarily membership conferred upon them through their participation in ACS-run certification programs.

The numbers have not been refuted by ACS. The ACS's own 'Digital Pulse 2019' report shows more than half a million IT professionals in Australia. That means only about 2% of Australia's IT professionals are ACS members.

"The same report says the number of IT professionals is increasing by 2.5% a year, which makes the numbers even worse," says Lack. "The profession is increasing in size, while the number of them represented by ACS is going down. ACS is a professional association representing individual members, just like CPA and AMIA. These associations provide the necessary assurance of a person's professionalism in their sector. ACS has failed to gain similar professional recognition in the IT sector. Why?"

No one disputed Lack's numbers when he presented them to the Brisbane meeting, but multiple attendees at the meeting have told iTwire that ACS Management Committee member Nick Tate rather unprofessionally shouted out that Lack was a liar. The meeting did not end harmoniously.

iTWire submitted Lack's figures for verification to ACS CEO Andrew Johnson. He did not disagree with them, referring instead to an article (https://ia.acs.org.au/article/2020/history-of-acs-professional-membership.html) in ACS's newsletter InformationAge explaining the evolution of the different membership types, and verifying the overall membership number as 43,506. He agreed there were just over 10,000 voting members, but did not comment on Lack's calculated declines.

ACS's recent Annual Consolidated Financial Statements for the financial year ended 30 June 2019 show why many are concerned about the organisation's direction. Overall numbers are healthy. Annual revenues increased by a remarkable 23%, from $36.6 million to $45.2 million, and the operating surplus grew strongly from $2.6 million to $4.3 million. The ACS asset base is also strong, at $36.4 million. Because it is an association, ACS does not pay any tax.

The problem that many people see is that most of the revenue and all of the increase in revenue was accounted for by 'professional standards income' – OSPP members. Revenue from the source increased from $31.5 million to $38.6 million. That means more than 85% of ACS income is from its monopoly on international certification.

At the same time membership fees (those paid by the declining number of voting members) went down from $3.1 million to $2.9 million. You can see why many people say that ACS is no longer a professional society, but has become little more than an accreditation body.

So ACS is not about to go broke. But its continued financial health is strongly dependent upon its monopoly on the certification of IT professionals in other countries who want the kudos of being accredited in Australia. Most of its eggs are in one basket, and if the goose that lays them were to lose its privileged position, things could rapidly go south.

Meanwhile ACS has been ordered by the judge to enter into a 'case management' arrangement with Roger Clarke, the leader of the ginger group, with a view to coming to a compromise. Clarke says discussions with ACS management are proceeding slowly.

"Our campaign is about recovering ACS's values, and getting the Society's orientation and priorities back on track," he told iTWire. "Central to that is getting a constitution in place that is appropriate to a professional society, and very different from the one proposed by the ACS executive."

"The Management Committee and CEO have been invited to be part of the movement to change the organisation to what it needs to be. But so far they've persisted in their commitment to commercial rather than professional values."

iTWire submitted a number of questions to ACS CEO Andrew Johnson in an attempt to clarify a number of issues that have been raised by critics. Our questions and his responses:

**Why are professional membership numbers declining?**

Membership grades were simplified in 2011. Since that time there has been a steady decline in professional members, which was understood and planned for. There are three reasons:

1. Since 2011, unless applying new members also select a certification assessment that attracts an additional fee, all new members join ACS at Associate level. If they choose not...
to be assessed for a certification upon application, they can choose to do so at any future time.

2. For grandfathered long-time members, certification was not a driving factor for becoming members of ACS. With the introduction of mandatory Continuing Professional Development (CPD) hours, half of grandfathered Certified Professionals dropped off after the first twelve months, thereby losing their certification.

3. Professional standards evolve over time, and as professions mature, benchmarks also raise over time. ACS's assessment processes in turn introduce more rigour to ensure those demonstrating professional benchmarks can be trusted and have the skills and knowledge to provide independent expertise.

**With only 2% (and falling) or so of Australia’s IT professionals members of ACS, can you really claim to be a representative industry body?**

I think you need to make the distinction about what is a professional as opposed to an occupation, and also make the distinction between a professional body and an industry body. In terms of how ACS has been embedding professionalisation – see ACS Professional Standards Scheme registration (https://ia.acs.org.au/article/2019/revamped-professional-standards-scheme-now-live.html)

**What can ACS do to reverse the decline in numbers and its credibility as a professional society?**

That is your contention. ACS Management Committee is focused on the feedback from members of the desire to see the number of members in the professional division increase, and actively exploring ways to best achieve this.

Society, including governments and businesses, increasingly needs independent and authoritative knowledge on technology trends, challenges and opportunities. As a professional society, ACS has been very focussed over the last couple of years to ensure our knowledge base is made more proactively available, as evidenced by our many reports and publications (he provided a long list).

ACS members continue to kick goals, with many ACS fellows honoured in the Australia Day awards.

**Is the ACS overly reliant on revenues from the Overseas Skills Preparation Program and Professional Year memberships? What if your monopoly on accreditation were to cease?**

Like all organisations, ACS has diversified its revenue streams and has a pipeline of innovation to generate new revenues in future. Organisations evolve over time, as do their products and services. ACS's sweet spot is membership, capability development, standards setting and assessments.

We have a very well respected Workforce Development unit that looks at skills profiling and solutions addressing skills gaps, three scale-up labs across the eastern sea board, and in more recent times, the acquisition of trading brands ADMA, DGA, IAPA and DT&C. The future pipeline includes further education products and micro-credentialing.

**Does ACS believe that sending committee members to the World Economic Forum in Davos and the Consumer Electronics Show in Las Vegas, at a time when there are serious concerns about the organisation's structure, good value for money?**


**OPINION**

On current indications it is unlikely that the next few stops on Andrew Johnston's Strategic Directions roadshow will turn out much better than the Brisbane fiasco. The schism between the two sides – those who want a professional society versus those who want a commercial
I have spoken to many senior members who are in favour of ACS's new direction, but who are very concerned about the mishandling of the restructuring vote, declining professional membership, and who have serious issues with the organisation's finances and its overreliance on accreditation.

I have had a lot to do with ACS and I wish it well. Two years ago it commissioned me to write a history of Australian computer industry to mark its 50th anniversary. The book was a success. I have at times in the last 30 years been both the publisher and editor of, and a contributor to, its monthly magazine. I have had a long association with many people within the organisation. And yes, I am a member.

I have good friends in both camps. It is a great shame to see it all come to this. I cannot help but think that it will get worse before it gets better. The greater shame is that the Australian computer industry is being done a great disservice by what is going on.

Everybody says that they are motivated by the greater good, but they cannot all be right. There is too much arrogance and too little humility and common sense. The ACS risks becoming irrelevant. Many would say it already is.

Given the publicity surrounding the failed vote, it is likely that the only way forward is for the two sides to find common ground. Another vote on restructuring will likely fail unless there is a broad consensus on ACS's future. But ACS does not appear to be seeking a compromise. Something, or somebody, has to give.

Get your act together, everyone.

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He has been in the high tech industry for more than 30 years, most of that time as a market researcher, analyst and journalist. He was founding editor of MIS magazine, and is a former editor of Computerworld Australia. He was a research director for Gartner Asia Pacific and research manager for the Yankee Group Australia. He was a long time weekly IT columnist in The Age and The Sydney Morning Herald, and is a recipient of the Kester Award for lifetime achievement in IT journalism.

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