



# Transcript – Bronwyn Wellings

Helga Svendsen 0:00

Today on the Take on Board podcast I'm speaking with Bronwyn Wellings, about trends in reporting and also the Australasian Reporting Awards. First, let me tell you about Bronwyn. Bronwyn is currently chair of the scenarios Foundation, deputy chair of the Australasian reporting awards, Chair of the Finance audit risk and remuneration committee of the electrical Trades Union Victorian branch and a member of Victoria University's compliance audit and Risk Committee. She has previously been on the boards of connections Uniting Care, Ten20 Foundation and the Uniting Church Property Board and Trust. Bronwyn is an experienced executive and non executive director with a background drawn from local and international organisations in the resource and manufacturing industries and not for profit boards. She has a strong background in all aspects of finance and a particular interest in strategy, risk management, governance, corporate finance and reporting. Welcome to the take on board podcast, Bronwyn.

Bronwyn Wellings 0:58

Thank you very much. Helga.

Helga Svendsen 1:00

It's awesome to have you here. And I'm really looking forward to our conversation about reporting. But as always, before we go there, I want to dig a little bit deeper about you. Can you tell me what was your earliest experience of governance?

Bronwyn Wellings 1:15

Well, actually, it was as an employee, strange as that might sound, I didn't realize it at the time. In fact, I didn't realize it for many years. But when I look back on my working life, governance was all around me all of the time in the form of things like policies, processes, seeing how decisions are made, and how performance and risk is monitored and managed. And also what gets measured and reported, and are, in fact, all parts of the governance framework that the board has put in place to oversee the organisation. And I was seeing it perhaps from a different angle as an employee. But I think, certainly for me, it was a really rich source of understanding to draw from once I realized this is governance in action. And I think for people who aren't yet on boards, they shouldn't dismiss their knowledge and understanding of governance already. Just like me, as an employee, it's happening all around them. So I think just kind of, if people sort of think like that, then off they go.

Helga Svendsen 2:23

Oh, that is a great reflection. I am often talking to women, about board resumes for their first board, and they're always, oh, I don't have anything to put on my board experience. It's like, just think about it as governance experience. It doesn't have to be boardroom table. It's governance experience. Was there a particular moment when you know, that realization dawned for you?

Bronwyn Wellings 2:45

Probably, I went to work for BP for 20 years. And I guess my last role, I was based in London, and I was working with really senior people as Chief of Staff of the Global Treasury Function, actually. So I kind of got catapulted right into where the big picture was being drawn, and where it was sort of happening. So I think that helicopter view gave me a much better perspective on things. But frankly, it was when I actually did the company directors course. I think that was a fantastic opportunity to just synthesize everything and see it in the context of governance rather than, that's the way our organisation does things. It actually was all about governance. Also, during my career, I was working as an analyst in exploration for seven years, and I was in the global Treasury function for about 12 years. And I got involved in a lot of projects. And so project governance is a really big thing. Of course, the capital intensive projects with long lives, lots of risks, big impact. And so and there was a lot of structure around the decision making. So I think there's probably a couple of different angles there that my understanding of governance was, was developing, but certainly from a sort of a board and a governance perspective. It was, frankly, after I'd left BP, and I went on the company directors course, the AICD. And it was just amazing. It was like pennies dropping as us thinking about everything I'd seen and learned in BP and seeing it from a pure corporate governance perspective. It was really very powerful.

Helga Svendsen 4:29

Yeah, right. Fantastic. One of your positions is Deputy Chair of the Australasian Reporting Awards. So I'd love to delve a little bit more about that. So what are the reports that we're talking about? And what are some of the trends that have been observed? Yeah.

Bronwyn Wellings 4:46

Okay. And so if I maybe just talk a little bit about the Australasian Reporting Awards, first of all, just very briefly, not for profit, they've been around for over 70 years and our purpose is to try and help to improve the quality of the organisational reporting and communications with stakeholders and improve governance as a result of that. We do a bunch of things, of course being called the Australasian Reporting Awards, we one of the core things is awarding annual awards, and they for annual reports, and also sustainability reports. We have a range of different awards, general awards, gold, silver, and bronze. And also special awards. And we have special awards for things like online

reporting, governance, Work, Health and Safety Reporting, communications, online reporting, integrated reporting, and sustainability reporting. So a whole lot of different awards. The other thing which is quite unique about the ARA is, we have a quite a big focus on education as well. And once people enter the awards, they also have the opportunity at the end of the awards process to have a one on one feedback session with an adjudicator to hear about their reporting. So we're really big on getting people to sort of recognize and celebrate what they've done really well. And also just perhaps, make suggestions around where they can continue to improve. So we do feedback sessions, we have seminars, we have an annual handbook that has tips and guidance on reporting and how to do it well and better. And also, I think that the reporting criteria that actually forms the basis of the adjudication is a really fantastic source of information on what a good report looks like. And all of this information is free on the website, so people can just tap into it at will. It's also of course, a great opportunity for organisations to showcase their achievements, and to benchmark their reports against their peers. So I think the ARA does some really cool stuff. And I think it's its purpose of really enhancing the quality of reporting and communications in order to improve governance and decision making. It's just such an exciting organisation to be part

Helga Svendsen 7:18

How did you get involved in this organisation?

Bronwyn Wellings 7:21

I'm really interested in reporting. I mean, I see reporting, as it's very integrated into what an organisation does, you know, it's an input to the organisation's activity, and it's an output and it's all kind of cyclical, and so on. Anyway, in my last executive role, I was responsible for running the strategic planning process. And I was very lucky to get hold of a fantastic couple of external consultants who helped facilitate the process, and one of whom was actually on the ARA board at the time. And I think we were sort of kindred spirits in seeing the benefits of reporting and so on. So when an opportunity came for another appointment to the board, she very kindly thought of me. So I think it was it was a really deep, interesting reporting. It's it's not just an end in itself exists as part of helping better decision making help them better governance, and so on. So yeah,

Helga Svendsen 8:24

Yeah, which is what I love, then back to the awards, it's what I love about what you've said about the awards is it's a real opportunity to well, not only to potentially win an award, but to get some real input about how to make this alive, valuable, useful process rather than a tick a box. We've done our annual report, you know, let's, you know, great done, tick, tick.

Bronwyn Wellings 8:48

And move on. You know, it's all about integrating it, you might as well spend the time on doing a good report, because it takes a lot of time anyway. So you might as well do it.

Helga Svendsen 9:00

Absolutely. So what makes a good annual report?

Bronwyn Wellings 9:03

Well, I think a very big focus on being transparent, being transparent. And I think being strategic in what you're doing that some pack that a little bit. I mean, there's holiday requirements, driven by accounting standards, and the Corporations Act and the ASX, and so on. And then for government sector, there's other requirements that drive what you have to put into reporting, but the actual it's the quality of the content that's important. And as I said, I think you have to be just really kind of put your heart into it, in a sense. Tell the story. Look at it as an opportunity to build trust with your audience. Understand who are your stakeholders, what do they want to know about? And I think a lot of it would be about strategy and risks and opportunity and so on. And Another thing that a lot, I think he's been shown it more and more, it's all about materiality. Sometimes I can be a little bit disappointed when I look at a report that talks about some really good things that it's done. And that might only be 2% of its expenditure in the organisation. And it's nice, but it's not really material, you want accurate complete reports, that materiality is right at the heart of it as well. And it's been emerging for for quite some time now. But there has been a lot more focused on the non financial part of reporting. And when you think about it, a lot doesn't get captured in the traditional financial reports. And all the value, of course, doesn't even get seen on it on a balance sheet. So non financial reporting and ESG recording is part of that has become much, much more important. And there's something really exciting that I want to talk about a little bit further on in terms of it's something that has just been announced was announced. For the third as part of the COP 26. I'll come to that a little bit later on.

Helga Svendsen 11:13

Oh, can we wait that? Can we come to it now? Go on? Why not?

Bronwyn Wellings 11:19

Okay, well, I'm really, really excited about this. But and that's what we came at, on November 3rd, there's going to be an international sustainability standards board being formed. That's fantastic. There's been a lot of people doing some fantastic things around sustainability reporting, integrated reporting, climate disclosure, related reporting. And it's been hard because it's been fragmented, but

they're all coming together. So that's it. For us. That's the International Financial Reporting Standards Foundation, says the sustainability Accounting Standards Board, the International Integrated Reporting Council, and the compliance disclosure standards board. So it's so exciting, they're coming together. And they're going to consolidate, and they're going to work together. And what we're seeing is a massive step forward towards a global standardization of ESG reporting, as well as that they announced yesterday that they have already published two proto type disclosure requirements. One is for a sustainability reporting, and the other is for climate related disclosure requirements. So I can't tell you how exciting that is, it really is a big development. And you know, the linkage with the financial body as well is just massive. So everyone's coming together on this at last. So it will be standardized. And I think, the next step, I will be very surprised if we don't move to mandated requirements for this sort of reporting going forward. And it will have the force of law just like financial accounting has, and that's fantastic from a whole lot of different angles. And not least of which is that will be your quite a contribution to climate change and managing the impact, you know, what gets measured, gets managed, doesn't it? So, if organisations start reporting on a standardized way, on climate related disclosures, and sustainability, all sorts of you know, ESG things, it's, it's a real game changer. So...

Helga Svendsen 13:41

Fantastic. I, I can say for those that are just listening, you should see the look on Bronwyn's face right now. She is beside herself with excitement as you should be. That is just fantastic. And let's talk about the trends in reporting. And I imagine this is one of them, ESG reporting and so on has become more and more important and more and more fulsome, really, over the last period a couple of years, whatever it may be. But yeah, what are the trends that you're observing and reporting?

Bronwyn Wellings 14:11

I guess we could look at these from a couple of different angles. And firstly, maybe just sort of what are the sort of current and emerging issues in the spotlight of reporting or not surprisingly, climate disclosures, which I've already touched upon the least of all surprising COVID-19 I think there's a lot of interest in organisations reporting on you know, the risks, the opportunities, the impact of COVID 19. That's hugely important and very topical diversity and inclusion is also really become a hot topic, not just in organisational reporting, but generally in a society. So we're seeing a lot more of a focus on that. It's focusing more on governance, types of things that are reported on in the nonfinancial parts and reports, other emerging trends that I've heard talk about emerging rather than being sort of right here right now, in terms of reporting and AI, artificial intelligence, cybersecurity, perhaps it might be relevant to some organisations more than others. For example, cybersecurity, very relevant to banks, in particular, universities, perhaps, AI, it's just, you know, a massive in in a whole lot, you know, it type organisations perhaps. And then in terms of occupational health and safety, some sense that we're starting to move from reporting, not just on lagging indicators, like LTI, five in a long term injury frequency rate, to more holistic measures, and also a focus on mental health of employees. And you know, perhaps that's something that's coming out of COVID-19, as well as maybe much more focused on another angle to sort of look at is detecting to my fellow directors on

the Ara board, and airy sights on what are the trends that they're seeing. And I got some wonderful feedback from them, including one of the directors who's actually Chair of the awards committee. So he oversees all of the reports that are entered, he seen organisations recognize and report more on strategic risks. He thinks that board competencies have a much higher profile he's seeing and this is just reinforcing what we've been talking about already a lot more organisations have committed to ESG principles, he sees that the clarity of writings improved in many organisations. And that reflects a real focus on communicating with stakeholders. So I think that's another thing just to sort of stop and reflect on, I think we've shifted on well, and truly from reporting just to shareholders, the focus in reporting now, I think, quite rightly, is on all of the stakeholders have the key stakeholders. And that's a really big shift. The other thing that he does highlight, and I think he sees there's more room to go on this is that he's seen that organisations are now better articulating strategic outcomes, in terms of their achievements, that scored even better would be to develop clear outcome measures. So I think that's a really useful insight. And other I think that sort of resonated with a few of the other directors and their feedback. And other bit of feedback it too, is people are saying that now organisations are comfortable reporting the good, and the not so good. And I do think that is really important, because it becomes very critical, doesn't it? And I think that reporting is a really important mechanism for building trust with your stakeholders. And you don't do that through a tick box exercise or a compliance exercise or doing spin. And then another thought too, is around the role technology can play and a lot more organisations shifting to online reporting now, which is another really cool development. And there's lots of navigation tools that you can use in, in that form of reporting links to other reports, make your key report maybe more concise, by having links to static data or other more detailed information. And then I'd suggest that if people are interested in, in knowing what good looks like then go to the Ara website and look at who's won the online reporting awards in recent years. This year, AGL Energy were the winner in the publicly listed sector, the nonprofit with Breast Cancer Trials, won the online reporting awards, and in the government sector, Water Care Services Limited one that award. So we're suggesting people have a look at that and then start to build on their own online reports. That's I think, a trend and recognizing the role that technology can play in helping to communicate I think is, is something people really ought to grasp and make the most of.

Helga Svendsen 19:24

There is so much in there that is useful for people and particularly in looking at reports as, as we say, just an integrated part of what the organisation does, rather than that ticker box. Did I hear you correctly before is that that can't be that truly not every entrant gets a one on one with an adjudicator, or is it every finalist or is it actually every entrant?

Bronwyn Wellings 19:45

Everyone that wants to can have a session and there's a small very small fee for entering into the awards in the first place. It's less than \$500 and about half that for charities and then it might via a \$200 fee or something for a one on one feedback session, it's actually understand quite unique for organisations that issue awards. I've only been involved with the ARA on the board for just over a

year now, but people that have been around a lot longer than me either as entrance or as duplicated, say that that is the real benefit. They see the feedback sessions for people and organisations.

Helga Svendsen 20:28

Incredible. Alright folks, well, there's a call out to you and your organisation's into the woods, even maybe, I don't know if I should say it this way. But I will even if you're thinking you're probably not quite up there in the winner's circle quite yet. But if you enter, it's an amazing opportunity to get some feedback. So you can get up to the winner's circle. When do entries close for the awards?

Bronwyn Wellings 20:49

For organisations that reported on the 30th of June, the current closure date is the 30th of November. And I think it's the 31st of January, just for entering, you don't have to get your report across them, but just to enter by them. And for organisations that report on the 31st of December, they get their entry in as in, they just pay the fee and say we want to enter by the 31st of January. That's the trick. I do have an inkling that given the impact of COVID, as we did last year, the entry date was extended beyond the November so people still have got time.

Helga Svendsen 21:33

Good to know. Close the 30th of November. Excellent. All right, we should be able to get it out by then. And we'll make sure there's some information in the show notes about it too. Oh, Brahman, so much fabulous information in here. What are the key things you want people to take away from the conversation that we've had today?

Bronwyn Wellings 21:51

Well maybe just a couple of thoughts. So starting off, as I said before, reporting is not an end in itself. It's an enabler. It's not a compliance exercise or PR spin, you put so much effort, time and resources into it, go for it and make it as good as you can. Why? Well, it's the best way to build trust with your reporting audience just can't beat it for that. Information, of course, is the lifeblood of the capital markets. It's the lifeblood of organisations in the disease decision making and stakeholders and their decision making. And what gets measured gets managed, and reporting, reporting can really drive change. And I think that my last of all message would be if you start to think about reporting like this, you link instantly to strategy to risk to performance and everything becomes integrated. Yes. And that I think is really very powerful.

Helga Svendsen 22:51

And is there a resource you would like to share with the take on board community?

Bronwyn Wellings 22:55

Well, I just refer everyone to the Australasian Reporting Awards website. It's if people just type in Australasian Reporting Awards in Google, it'll come up. As mentioned before, we've got a lot of free resources and material for people to use. You can see who's won awards and go and have a look at their reports. And fantastic. Excellent.

Helga Svendsen 23:19

Well as I say, I'll make sure we have a link to that in the show notes as well for people to both have a bit of a look around and maybe just the hit the internet button as well. Or Bronwyn, thank you so much. Like I say to many people, I think about reports as that tick a box and it's so great to hear somebody so passionate about them and passionate about the power of good reporting, basically, and how much it can really support and add value to an organisation. So thank you so much for sharing your wisdom and passion on this with the Take on Board community today.

Bronwyn Wellings 23:51

Well, thank you very much Helga. It's really been lovely to chat to you. I really enjoyed this discussion.