

ANNUAL

2011/12

REVIEW

Our profile

The Australian Institute of Company Directors is an internationally recognised, member-based, not-for-profit organisation that provides leadership on director issues and promotes excellence in governance.

As of 30 June 2012, we had 31,856 members, including more than 850 members based offshore, in countries including China, Singapore, Hong Kong, Indonesia, the United States, the United Kingdom and the United Arab Emirates.

Our membership includes directors from organisations as diverse as ASX-listed companies, government bodies, not-for-profit organisations (e.g. charities and arts organisations) and family owned/private companies and entrepreneurial ventures.

We have offices in every Australian state as well as in Canberra and Darwin, with a National office based in Sydney, and 189 employees nationwide who are committed to serving our members in our CBDs and regional areas.

Our principal activities include conducting professional development programs and events for boards and directors; producing publications on director and governance issues (including books, *Company Director* and *The Boardroom Report*), and developing and promoting policies on issues of interest to directors.

We are a founding member of the Global Network of Directors' Institutes (GNDI). Membership of GNDI provides us with a forum to demonstrate the leadership of Australian directors internationally, and to share expertise in corporate governance and professional director development. GNDI is comprised of membership organisations for directors from Australia, the UK, US, Canada, Malaysia, New Zealand, Brazil and South Africa.

Our role and aim guide everything that we do.

Our role

To provide leadership on director issues and promote excellence in governance to achieve a positive impact for the economy and society

Our aim

By 2017, to be recognised as:

- A key influencer in the creation of world-leading governance laws and practices in Australia [and growing influence offshore]
- A key player in achieving world-leading performance of Australian boards and directors, including the application of governance principles

About this report

Our objective in producing this *Annual Review* is to provide members with an overview of our performance against our stated goals for the 2011/12 financial year, and to provide an update on our activities.

Our audited financial statements, prepared in accordance with the *Corporations Act 2001* (Cth) and Australian Accounting Standards are published in our *Financial Report* for the year ended 30 June 2012. This review, which contains an overview of our financial results, is designed to be read in conjunction with the *Financial Report*. Our corporate governance statement, as well as a listing of our Division Councillors and Policy Committee members, is contained in our *Financial Report*.

References to "we", "our" and "Company Directors" in this Review are to the "Australian Institute of Company Directors".

MEMBERSHIP

As at 30 June 2007-2012



Highlights

MEMBERSHIP

7.7% net growth

31,856

COURSES

Total participants

10,519

LinkedIn

Members who have joined
our LinkedIn Group

8,600+

REVENUE

13 % increase from 2010/11

\$47.6 MILLION

- Completed the delivery of our 2009-2012 strategic plan
- 7 per cent increase in overall member satisfaction in 2011 compared to 2009*
- Published *Duties & Responsibilities of Directors and Officers* 20th Edition by Professor Bob Baxt FAICDLife
- Added five new courses to our In-Focus Suite
- Hosted our inaugural HealthCare Conference
- Opened a Business Centre and Member Lounge in Sydney
- Developed policy on a wide range of issues of concern to directors and engaged with a large number of stakeholders
- More than 900 mentions of our events and advocacy work in the media

COMPANY DIRECTORS COURSE

Enrolments in our public, In-Boardroom and correspondence programs

3,400

EVENTS

Total attendees

34,047

COMPANY DIRECTORS CONFERENCE

Highest rated satisfaction for our National Conference since the 5-point scale was introduced in 2005.

4.73/5

EMPLOYEES

Decrease in staff turnover from 2011

8%

WEBSITE

Unique visitors in 2011/12

278,865

*Member Satisfaction Tracker survey results, Haymark Research (December 2011)

Report from the Chairman and CEO

We are pleased to report that the Australian Institute of Company Directors performed well during the 2011/12 financial year, as we exceeded the goals set out in our 2009-12 strategy and finalised our five-year strategic plan to 2017.

Despite challenging economic conditions internationally, the investment that boards and individual directors are making in their professional development has remained strong.

In closing out our three-year plan to 30 June 2012, our strategic focus remained on positioning the Institute as the voice of directors, the centre for directors and corporate governance and a place where people want to work.

The drivers underpinning our revenue – which we reinvest in achieving our strategic aims – once again included significant participation in our professional development programs and growth and retention of membership.

MEMBERSHIP

The strength of our organisation is largely dependent on our membership. As our membership grows, so too does our capacity to effectively represent the 2.2 million individual directors governing Australian organisations.

In 2011/12, our membership surpassed 31,850 members, an increase of 7.7 per cent on 2010/11. The retention rate, however, decreased by 1.6 per cent.

International membership increased by 20 per cent to 859, and divisional growth was particularly strong in Western Australia (10.3 per cent) and Queensland (9.4 per cent). NSW surpassed 9,000 members, Victoria 7,500, and South Australia 2,500 members, while Tasmania achieved the highest membership satisfaction levels of any Division and the ACT Division has the most diverse membership with more than 30 per cent female members.

MEMBER SERVICES

Directorship Opportunities, our member-only service designed to assist those seeking, or looking to fill, board vacancies, had a record year. One thousand organisations had registered with us before 30 June, with more than 420 unique roles advertised in 2011/12.

Reflecting the increasingly professional use of the social media, members have responded positively to our official presence on the

networking website, LinkedIn. The Company Directors' member-only group now numbers over 8,600, with many using the group to ask questions of their peers and to interact with other members who share common interests.

The opening of our Business Centre and Member Lounge in Sydney (Level 1, 20 Bond Street, Sydney) also marked an exciting new chapter for our organisation. This new facility offers a space for members travelling to Sydney's CBD to network and access other services including WiFi and our Information Centre, or to hire a boardroom, event space or meeting rooms.

Following our successful *Chairman's Mentoring Program*, our *Public Sector Mentoring Program* was launched in March 2012, with 12 aspiring public sector directors being mentored by experienced public sector chairmen.

PROFESSIONAL DEVELOPMENT

Our curriculum expanded in 2011/12 with new courses introduced, while new delivery formats provided a broader range of learning options. Our existing programs were also reviewed and refreshed to ensure their currency and enduring value.

More than 3,400 people enrolled in the *Company Directors Course* which was updated three times during the year, principally due to regulatory change and developments in case law.

Overall participation in our courses increased by 19 per cent (excluding online learning), and participants included several hundred directors who were awarded scholarships to access our governance education as part of our not-for-profit and board diversity initiatives.

Our 15th National *Company Directors Conference, Directorship: 12*, held in Darwin, achieved an overall satisfaction rating of "excellent" from 73 per cent of attendees, and was the most highly rated conference since satisfaction measures were introduced. In recognition of the need for Australia to form closer ties with Asia, our next national conference will be held in Singapore in May 2013.

Following the success of establishing in-house training facilities in Victoria, we held the first *Company Directors Course* in our new Sydney Learning Centre in March 2012. The opening of this Centre will enable us to

host most of our NSW education programs onsite, which in turn has greatly enhanced the opportunity for participants to connect with our staff.

We continued to cater for the needs of our members working in small to medium-sized enterprises through tailored event briefings.

INTERNATIONAL

While we have long been aware that corporate governance is an international issue for directors, our internationally-focused activities increased substantially during the year.

In April, we joined a number of our international counterparts as founding members of the new Global Network of Directors' Institutes (GNDI). Our membership of GNDI provides us with a forum to demonstrate the leadership of Australian directors internationally, and to share expertise in corporate governance and professional director development.

In addition, we met with key stakeholders from around the world, including the OECD, and the executives of organisations representing directors in the United States, United Kingdom, New Zealand, Canada, Malaysia, Brazil and South Africa.

We also established connections and networks with other Institutes of Directors in South East Asia, marked a 10-year relationship with the Thai Institute of Directors and extended the *International Company Directors Course*.

Significant progress was also made in planning for the establishment of Singapore and London-based committees, which will provide us with insights to support events and other activities conducted in these regions.

Expanding our influence offshore, a clear theme of our five-year strategic plan, will be a key focus for us moving forward.

POLICY ON DIRECTOR ISSUES

We strive to positively influence the environment in which directors operate so that organisations may, in turn, contribute to a prosperous economy and the quality of our communities and society.

Throughout 2011/12, there has been an ongoing focus on key issues for directors, including advocating for principled laws (e.g. ensuring directors have the right to be considered innocent until proven otherwise),

a reduction in red tape and supporting greater diversity on boards.

Our advocacy on issues relevant to directors in the not-for-profit (NFP) sector also significantly increased during the year, as the new regulatory regime for charities and other NFPs was developing.

We have also taken an active role in arguing for good governance principles in the reform of superannuation sector governance and sought to positively influence the development and reviews of principles and standards in financial and non-financial reporting.

New policy initiatives for the year included undertaking research into the governance of government.

MEDIA AND GOVERNMENT RELATIONS

We have continued to adopt a proactive media and government relations strategy focused around our key policy issues and we have made considerable progress in raising awareness that company directors are "part of the solution, not part of the problem".

Through continuing a program of research, including the bi-annual *Director Sentiment Index* and the *Directors Social Impact Study*, we have been growing the evidence base of the concerns felt by a significant proportion of the director community.

Media mentions, being one indicator of our impact and influence as the "voice of directors", totalled 927 for 2011/12, compared to 795 in 2010/11.

STAFF DEVELOPMENT AND LEADERSHIP

To further our work on encouraging a collaborative high-performance culture, an inaugural all-staff summit was held in December 2011. The summit provided all of our employees with the opportunity to connect with their colleagues from across the country and provide input into our strategy development.

Having outgrown our National and NSW office premises in George St and Bridge St, Sydney, both teams have relocated to newly refurbished premises in nearby Bond St.

INFORMATION TECHNOLOGY

We successfully completed our technology refresh program with the deployment of a new association management system. The system has provided Company Directors with

a platform to optimise and expand the features we offer to members and staff.

To improve our internal communications, we migrated to a "cloud-based" solution. This has delivered unified phone systems between our offices, video conferencing and managed networking infrastructure.

We have reviewed our IT governance model and progressed its implementation, which will provide greater visibility of our IT investments and enhanced oversight of data security and availability.

FINANCIAL RESULT

We experienced strong operating growth during the year, with revenue increasing 13 per cent to \$47.6 million.

The operating result before investment performance for the year was a deficit of \$(2.044) million compared to \$(0.479) million in 2010/11, principally due to expenditure of \$(2.3) million on strategic projects and an investment capital loss of \$0.5 million.

The net investment result for the year was a surplus of \$0.733 million. This left the net amount of Company Directors' deficit for 2011/12 at \$(1.311) million, compared to a net surplus of \$1.122 in 2010/11.

BOARD CHANGES

We were delighted to welcome new directors to the Board in November 2011. James Strong AO FAICD joined us as a National Director, while three new Division Presidents were appointed to the Board, including the Hon Keith De Lacy AM FAICD (Queensland), Michael Smith FAICD (Western Australia), Anne O'Donnell FAICD (ACT). Vince Fitzgerald FAICD, who was appointed Victorian President in the first half of 2011, also recently joined the Board.

Directors who completed their terms and retired from the Board were:

- Fiona Harris FAICD, National Director
- Steven Cole FAICD, Western Australia
- Richard Haire FAICD, Queensland
- Brand Hoff FAICD, ACT
- Linda Nicholls FAICD, Victorian representative

We greatly appreciate the valuable contribution Fiona, Steven, Richard, Brand and Linda have made to the organisation's growth and successes.



THANK YOU

Our ability to achieve our aims depends on the dedication of a large number of individuals, including our many committee members, who give generously of their time and expertise in support of our shared goals. We would like thank everyone who has contributed to our activities in 2011/12. Thank you also to you, our members, for your ongoing support.

RICHARD LEE FAICD
Chairman

JOHN H C COLVIN FAICD
Chief Executive Officer and
Managing Director

Our Board



RICHARD LEE FAICD, CHAIRMAN
BEng(Chem) (Hons), MA (Oxon)
 Chairman, Salmat Limited; Deputy
 Chairman, Ridley Corporation Limited
 and Director, Newcrest Mining
 Limited and Oil Search Limited.



**YASMIN ALLEN FAICD,
 NATIONAL DIRECTOR**
BCom
 Director, Cochlear Limited
 and Chairman, Cochlear Audit
 Committee; Director, Insurance
 Australia Group Limited (IAG) and
 Chairman, IAG Nomination and
 Remuneration Committee. Chairman,
 Macquarie Specialised Asset
 Management. Member, Salvation
 Army Advisory board.



**COLIN GALBRAITH AM FAICD,
 NATIONAL DIRECTOR**
LLB (Hons), LLM
 Chairman, BHP Billiton Community
 Trust; Director, Commonwealth
 Bank of Australia, CARE Australia
 and Arrium Limited. Special Adviser,
 Gresham Partners Limited and
 Trustee, Royal Melbourne Hospital
 Neuroscience Foundation.



**JAMES STRONG AO FAICD,
 NATIONAL DIRECTOR**
BAB
 Chairman, Woolworths Limited
 and Kathmandu Holdings Limited;
 Director, Qantas Airways Limited.
 Chairman, Organising Committee for
 the ICC Cricket World Cup 2015,
 and Painaustralia; Board member,
 CanAssist and Sydney Writers'
 Festival. Member, Nomura Australia
 Advisory Board and Australian Grand
 Prix Corporation.



**BRUCE LINN FAICD, PRESIDENT
 SOUTH AUSTRALIA AND
 NORTHERN TERRITORY
 DIVISION**
FACS, BSc
 Director, SABRENet Limited and ITEK
 Ventures Pty Ltd. Chairman, Internet
 Industry Association and St Peter's
 Collegiate Girls School. Council
 Member, University of South Australia
 and Chair of Finance Committee.



**KEVIN MCCANN AM FAICD,
 PRESIDENT NSW DIVISION**
BA LLB(Hons) Syd, LLM (Harv)
 Chairman, Origin Energy Limited and
 Macquarie Group and Macquarie
 Bank Limited ; Director, BlueScope
 Steel Limited; Chair, National Library
 of Australia Foundation and Fellow of
 the Senate, University of Sydney.



**LINDA NICHOLLS AO FAICD,
 VICTORIAN REPRESENTATIVE
 ON THE BOARD TO 30 JUNE 2012**
BA Econ(Cornell), MBA(Harv)
 Chairman , Yarra Trams; Director,
 Fairfax Media and Sigma
 Pharmaceuticals; Member of Council
 of The Walter and Eliza Hall Institute
 for Medical Research; Director of
 the United States Studies Centre;
 Trustee, Harvard Business School
 Alumni Board.



**THE HON KEITH DE LACY
AM FAICD, PRESIDENT,
QUEENSLAND DIVISION**
HonDLitt DUniv BA QDA, FAIM
Chairman, Cubbie Group Limited;
Director, The Reef Hotel Casino;
Chairman, Nimrod Resources
Limited; Director, Queensland Energy
Resources Limited; Chairman, Hynes
Lawyers Australia.



**VINCE FITZGERALD FAICD,
PRESIDENT, VICTORIAN
DIVISION, APPOINTED TO THE
BOARD 1 JULY 2012**
BEc(Hons) PHd (Harv)
Director (Former Chairman), Allen
Consulting Group; Director, ETF
Securities Limited and ETF Metal
Securities (Australia) Limited.
Council member, Australian National
University; Trustee, Finkel and
Tuckwell charitable Foundations, and
Director, Goulburn-Murray Indigenous
community's Kaiela Institute.



**DERRIS GILLAM FAICD,
PRESIDENT TASMANIA DIVISION**
B Bus, FCPA
Chairman, Heart Foundation of
Australia (Tasmania Division);
Director, Heart Foundation of
Australia [National]; Chairman, Board
of Governance, GP Assist (Clinical
Solutions/Asia Pacific).



**ANNE O'DONNELL FAICD,
PRESIDENT ACT DIVISION**
MBA, BA (Bkg & Fin) FFinsia
Director, Equity Trustees Ltd,
Community CPS Australia Ltd,
Eastwoods Pty Ltd and Grain
Growers Ltd. Member, Compliance
Committee, UBS Global Asset
Management and the Audit &
Evaluation Committee of IP Australia.



**MICHAEL SMITH FAICD,
PRESIDENT WA DIVISION**
FAMI, FAIM, CMC
Managing Director, Black House.
Chairman, iiNet Limited, Synergy and
Lionel Samson Sadleir Group Pty
Ltd. Deputy Chairman, Automotive
Holdings Group. Director, 7-Eleven
Stores Pty Ltd and Giving West.



**JOHN H C COLVIN FAICD, CHIEF
EXECUTIVE OFFICER AND
MANAGING DIRECTOR**
BEc (Hons) Syd, MSc (Econ) LSE,
MA (Oxon), Solicitor
Advisory Council Member (Sydney),
Centre for Social Impact; Patron,
CanAssist and Director, Colvin Wines
Pty Ltd.

Our Executive



JOHN H C COLVIN FAICD
CEO and Managing Director

Under John's leadership, we have cemented our status as "the voice" of Australian directors, through strong and thoughtful advocacy on critical issues. John has helped us grow into a more vibrant organisation which is committed to providing value to members and expanding our professional development offering. In 2012, recognising his pivotal contribution to our achievements, John's contract was extended, enabling him to drive our continued success.



ANDREW MADRY GAICD
Chief Operating Officer and Company Secretary

As the Executive leader of our strategic function, a major focus for Andrew during the year was the development of our Strategic Plan for 2012-17. With responsibility for our people, Andrew led the expansion of our leadership capability and culture program. Working with our Division and Department managers to implement our Strategic Plan and enhance the portfolio of events we deliver will be focus areas for Andrew over the coming year.



STEVE BURRELL MAICD
General Manager, Communications and Public Affairs

Steve leads our strategic and proactive approach to media, government and internal relations. In 2011/12, Steve headed an increased program of engagement with state and federal governments, as well as our ongoing commitment to keep members up to date through *Company Director* magazine. Continuing to communicate our policy views and build stakeholder understanding of the role and contribution of directors will guide the work of Steve and his team in 2012/13.



ROB ELLIOTT FAICD
General Manager, Policy and Advocacy and General Counsel

As the amount of regulation impacting business, the economy and Australia's competitiveness continues to grow, Rob had led our policy team's efforts to improve the quality and effectiveness of legislation and regulation. In the coming year, Rob and his team will continue to advocate for a governance framework that appropriately considers the role of executive and non-executive directors.



MAUREEN MONCKTON MAICD
General Manager, Director and Board Development

Leading the development and execution of our education strategy includes the continuous improvement and delivery of the *Company Directors Course* as well as other core programs, short courses, publications and on-line learning. In the coming year, the team will continue to drive initiatives to contribute to the life-long learning, professional development and standing of our members.



BRAD SHERRINGHAM MAICD
Chief Financial Officer

In addition to leading our financial operations, in 2011/12, Brad guided our information technology department's change program, including the replacement of our management system. He supports all of our departments through the provision of comprehensive management reporting. Brad's focus for the year ahead will be ensuring the ongoing financial strength of our organisation.

STRATEGIC AIMS

Our 2009-12 strategic plan was developed with a focus on corporate governance and *all* directors.

We set three primary goals:

1. To be the **CENTRE** for governance and directors
2. To be the **VOICE** of governance and directorship
3. To be a place where **PEOPLE** want to work

2011 was celebrated as "a year of firsts", as we successfully achieved our objectives set out in the three-year plan.

1. Centre

The centre for governance and directors

ENRICHING THE PRACTICE OF ORGANISATIONAL GOVERNANCE

- Improving the value we provide to members
- Expanding our professional development services and updating our course materials
- Supporting members to find, and boards to fill, vacancies through *Directorship Opportunities*
- Creating networking opportunities for directors to establish productive relationships
- Assisting members to access relevant information

- Conducting sector-specific conferences and briefings
- Unique activities across each of our seven divisions (tailoring to market needs), with active committees supporting members in regional Australia
- Growing activities offshore
- Trialling a new Business Centre and Member Lounge concept in Sydney
- Developing new tools to support directors and boards
- Forming special interests groups for members with shared interests – *Director Nexus*
- Continuing a pilot of director advisory services



"The enthusiastic and inclusive presentations of the facilitators created a spirit of trust and a willingness of the participants to share business experiences and views resulting in positive learning outcomes and new friendships."

Geoff Totterdell MAICD,
CDC Bunker Bay



"The open discussion of personal experiences and the use of real life case studies proved invaluable and emphasised the reality and importance of the course material."

Nicole Thomson MAICD,
CDC Bunker Bay



The centre for governance and directors

HIGHLIGHTS

- Overall member satisfaction increased 7 per cent in 2011 (compared to 2009)
- Introducing the Company Directors Corporate Governance Framework™
- Hundreds of scholarships delivered in partnership with, and co-funded by, a number of organisations, across the federal and state government and private sectors
- *Directorship of the Future Summit*, launching the findings of our Emerging Directors research, conducted in Adelaide
- Six new Director Tools, available exclusively to members
- Opening a new Learning Centre in NSW, another milestone in meeting the needs of course participants
- Introducing a face-to-face information service, through the opening of our Business Centre in Sydney.
- Inaugural Course Facilitator Conference conducted to encourage a consistent learning focus among our facilitator group, for the benefit of members
- Seven new publications, including *The Board's Role in Clinical Governance*, and *All Above Board 2nd Edition*, Australia's only publication for directors serving on government boards.

FACILITATORS DELIVERING PROGRAMS

169

COURSE WRITERS

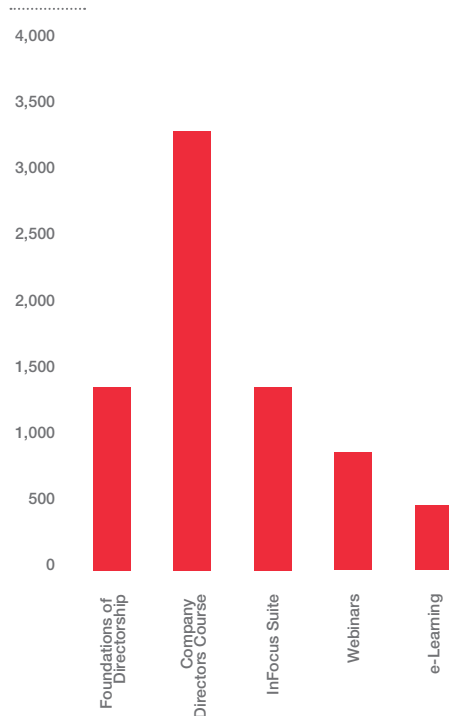
30

GROWTH IN COURSES DELIVERED

14%

COURSE PARTICIPATION

Number of enrollments by course type
(excludes In-Boardroom delivery)



Source: Company Directors' internal data



"The practical program is extremely stimulating as the simulations are intense and intelligently staged, creating an excellent environment for the examination of boardroom dynamics and the part each director plays in them."

Sam Andersen FAICD,
Mastering the Boardroom
participant



"Assisting Tomorrow's Directors to break down the barriers preventing the start of their directorship careers is immensely rewarding."

David Spear MAICD
State Manager, South Australia
/ Northern Territory

We are recognised as the largest provider of director development programs in the world, based on the number of participants who undertake our programs. As the figures noted in this Review demonstrate, 2011/12 was another successful year in terms of our Director & Board Development programs and membership participation.

Our *International Company Directors Course* was delivered in Hong Kong and Singapore, we doubled our number of webinars offered and all of our course materials were updated, including *Mastering the Boardroom*.

During the year, we explored how we may build on the support we provide to boards founded on principles of continuous improvement of board performance. In the coming year, we will invest further in supporting boards in their application of governance principles, as this, along with the services we offer to individual directors, is fundamental to the quality of governance.



“We have continued to focus on ensuring our services, courses and events are relevant to members and that they increase directorship knowledge; feedback from member surveys tells us we are on the right track.”

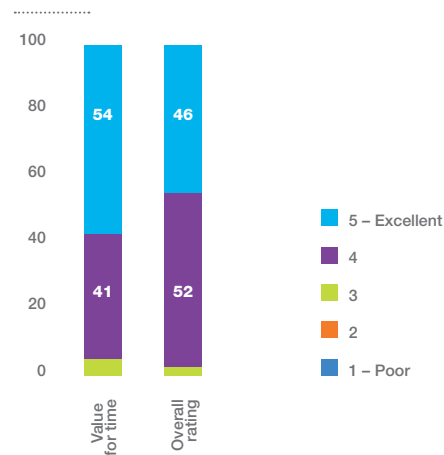
Cathie Goss MAICD, State Manager, Tasmania

FUTURE FOCUS

- Increasing member awareness of all the relevant services we provide; increase the number of members who make full use of their membership and in turn, satisfaction with the value of membership
- Expanding our portfolio of products, tools and publications for directors and boards and addressing areas for improvement and opportunities
- Further support of the career development of directors following participation in the *Company Directors Course*
- Introducing digital course materials and enhancing our e-learning offerings
- Innovating our events
- Pre-empt the needs of directors to deliver more timely and relevant offerings

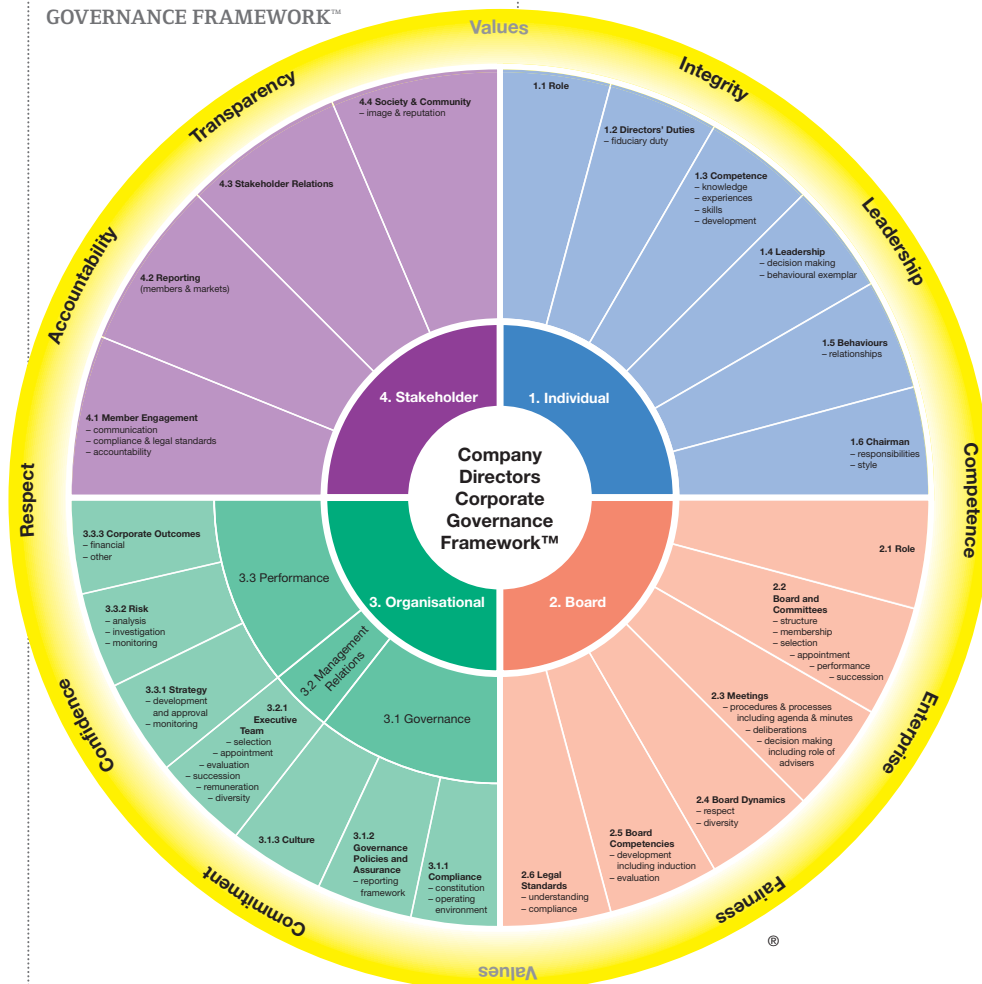
THE ESSENTIAL DIRECTOR UPDATE:12

% evaluation on a scale of 1-5



Source: Event feedback analysis, Haymkr Research (November 2011)

COMPANY DIRECTORS CORPORATE GOVERNANCE FRAMEWORK™



Membership

Our membership of 31,856 as at 30 June 2012 ranked Company Directors as the second largest institute of directors in the world, closely following the Institute of Directors in the UK with its 38,000 members.

TENURE 3-25+ YEARS

63%



“The growth of our international membership is exciting and reflects the increasing levels of Australian business engagement on a global scale.”

Suzanne Ardagh MAICD
Manager – WA Division & International

FEMALE MEMBERSHIP

24%



“We are incredibly proud to have established an Indigenous Governance working group this year to harness insights from the sector and provide a forum for peer support.”

Karen Rennie MAICD
State Manager,
New South Wales

ASX 200 CHAIRMEN

who are members

63%

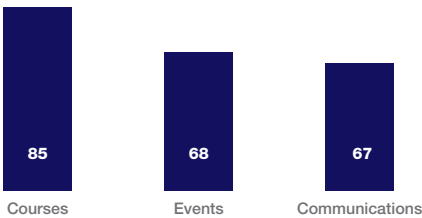


“Director Nexus is a dynamic experience. The small peer group discussions provide a forum where directors can seek advice and opinions on a wide range of boardroom issues and take away practical guidance to assist their boards and their own ongoing learning and development.”

Paul Geyer GAICD
State Manager, Victoria

MEMBER SATISFACTION

Extremely or very satisfied (%) with core services



Source: Member Satisfaction Tracker survey results, Haymakr Research (December 2011)

2. Voice

The voice of governance and directorship

- Providing the director perspective on relevant business and legal issues in the media and publications
- Advocating for directors in reviews of, and consultations on, legal and policy issues
- Providing leadership on governance practices and principles
- The preferred platform of business leaders to make keynote speeches
- *Company Director* magazine

HIGHLIGHTS

- Ongoing advocacy for COAG reforms on director liability
- Hosting our inaugural *Director Insights* forum in Canberra, fostering dialogue between directors and parliamentarians
- Expanded our research projects and capability, including the development of a new database application, and collection of data on ASX 200 and not-for-profit organisations
- Delivering speeches on topics of interest for a wide range of business, education and other groups, including at the Australian Economic Forum
- Another successful year for *Company Director* with 83 per cent of members citing readership of the magazine*

We lodged 25 submissions in response to a range of inquiries on issues including director liability (and extending the business

judgement rule), not-for-profit reform, executive remuneration, health governance, financial and non-financial reporting, superannuation legislative amendments and governance standards, red tape, government consultation, insolvency, class actions and regulation of litigation funding.

Our Chairman's Forum and three standing policy committees continued to provide support to our policy development, while we also contributed to the work of other policy bodies, including the Business Coalition for Tax Reform and the Standards Australia Committee on IT governance.

Undertaking an active program of meetings with government and shadow ministers and officials contributed further support to our policy work.

We also conducted and published new research, including the 2011 *Director Social Impact Study*; a report on *Institutional Share Voting and Engagement*; two updates of our Director Sentiment Index and shared the findings of our research on the background of government representatives and public servants.

As significant cases regarding directors were decided by the courts, including Centro and James Hardie, we sought to keep our members informed of the relevant findings, with Member Alerts sent via email, published articles in *Company Director*, *The Boardroom Report* and state newsletters, reviewed relevant decisions in *Duties and Responsibilities of Directors and Officers* and scheduled Directors Briefings.

*Source: Member Satisfaction Tracker survey results, Haymakr Research (December 2011)



Jac Nasser AO FAICD, Chairman of BHP Billiton, keynote speaker, May 2012



“We have listened to the needs and concerns of our members in the not-for-profit sector and sought to positively influence outcomes in the critical NFP regulatory reform process.”

Phil Butler GAICD
Manager, NFP, Public Sector
& ACT

Voice of governance and directorship

FUTURE FOCUS

- Work constructively with our stakeholders to lift the quality of governance laws and principles and improve public and stakeholder awareness and engagement
- Undertake further research projects, including in the not-for-profit sector and data on ASX-listed organisations
- Develop governance principles for the not-for-profit sector
- Developing digital publications

POLICY STAKEHOLDERS



The top 3 economic challenges facing Australian business

Director Sentiment Index, April 2012

GLOBAL ECONOMIC UNCERTAINTY

42%

HIGH AUSTRALIAN DOLLAR

38%

INDUSTRIAL RELATIONS

25%

Find out more: See our website for further details on any product, service or policy initiative.

3. People

A place where people want to work

- Investing in our culture and learning and development
- Supporting our people with the infrastructure to work effectively

HIGHLIGHTS

- All-staff summit held in December 2011
- All managers and staff participated in an engaging leadership program to embed leadership capability at a personal, team or organisational level
- Significant work on reducing staff turnover

We have a values-driven culture and appreciate the strengths, capabilities and professional contribution of our employees to our activities. Our people are committed

to achieving our goal of making a positive impact on the economy and society through our contribution to director development and quality governance. Our organisation's growth has created opportunities for our employees to develop their own knowledge, skills and experience in a dynamic environment.

FUTURE FOCUS

- Support the ongoing learning and development of all employees in order to enrich their knowledge, skills and experiences
- Review the diversity of our team in accordance with our diversity policy
- Introduce an employee engagement program to measure current engagement levels within our organisation and identify areas for improvement.

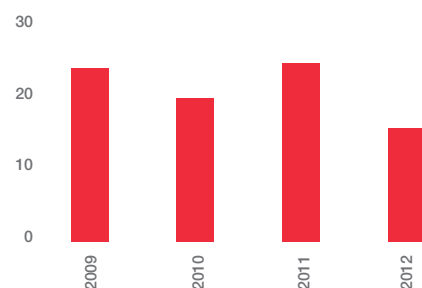


“Strong membership and participation growth in the state, particularly in our regional areas, reflects the tremendous efforts of our dedicated Regional Committees and the Queensland Division team.”

Richard Moore GAICD
State Manager, Queensland

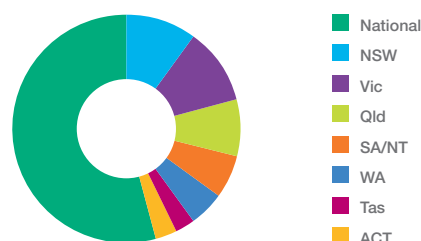


EMPLOYEE TURNOVER % to 30 June 2009-2012



Source: Company Directors' internal data

EMPLOYEE DISTRIBUTION % by office location



Source: Company Directors' internal data