

# 2022

Australian  
Institute of  
**Company  
Directors**

**ANNUAL**  

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**REPORT**

STRENGTHENING SOCIETY THROUGH  
WORLD-CLASS GOVERNANCE





# Our purpose and mission...

## **PURPOSE**

To strengthen society  
through world-class governance.

## **MISSION**

To be the independent and trusted  
voice of governance, building the  
capability of a community of leaders  
for the benefit of society.

# Chair's report

FY22 was a year of progress, achievement and change for the Institute, though not without material impact from the lingering shadow of the COVID-19 pandemic.

We closed the financial year with a \$5.2m deficit (FY21 \$0.9m surplus), which reflected the restrictions on face-to-face education and events, and volatility in the global equities market.

Despite these challenges, progress was made in advancing our purpose: strengthening society through world-class governance. We not only made a positive contribution to public debate and leadership on contemporary governance practice, we also strengthened our own governance.

More than 13,000 participants attended our world-class education courses, including online versions of the *Company Directors Course* and *Foundations of Directorship*. We also delivered a complimentary *Ethics in the Boardroom* e-learning program for our members, more than 9,000 of whom enrolled in the course.

Membership grew by 6.1 per cent from 46,608 in 2021 to 49,456 members by 30 June 2022. This demonstrates the continued strength of the AICD brand, and the commitment of our members to building a community of leaders aligned with our purpose and the development of their own leadership capability.

Our Governance & Policy Leadership team secured important legislative reform for continuous disclosure and virtual AGM laws. Through our engagement with the broader governance community, we contributed to policy framing for class actions, insolvency, NFP fundraising, director IDs, cyber regulation, sustainability reporting, workplace sexual harassment, director duties and the business judgment rule.

We launched the Climate Governance Initiative Australia – a multi-partner collaboration providing director resources and briefings, which attracted significant interest.

At the Australian Governance Summit in March 2022, attended by more than 1,500 in person and online, I spoke of the AICD's important role in advancing support for First Nations peoples. We appointed our first Sector Lead – First Nations to lift focus on First Nations governance issues and services, and embarked on our second Innovate reconciliation action plan (RAP). We were privileged to attend the Garma Festival, Australia's leading Indigenous cultural exchange event, where Prime Minister Anthony Albanese proposed changing the constitution to enshrine an Indigenous voice.

Importantly, the board reviewed its own governance practices in a range of areas (see right). At our AGM in November, members overwhelmingly supported the adoption of a new, more contemporary constitution.

We also worked with our division councils to modernise their charters as advisory bodies and ensure they are consistent with the changes in the management structure of the Institute.

Authenticity is important for us when promoting sustainability and sustainable business practices to our stakeholders. We need to be 'walking the talk'. To that end, we are stepping up our reporting on this in our *2022 Annual Report*, with a dedicated sustainability report and a commitment to set clear targets to lift our performance in this area.

Change was most notably marked by the leadership transition from Angus Armour FAICD to Mark Rigotti MAICD, which was announced in June 2022 and successfully completed in September 2022.

Angus led the Institute with distinction from 2017. His many achievements included announcing our purpose





## Authenticity is important for us when promoting sustainability and sustainable business practices to our stakeholders.”

of strengthening society through world-class governance; developing the internal culture of the Institute with a focus on accountability, respect, collaboration and excellence; leading the organisation through the challenging years of the COVID-19 pandemic; and initiating the Institute's digital transformation, as we move toward our vision of being the leading global platform for directors.

While the board did not seek leadership change, we were delighted with the calibre of candidates considered in the recruitment process we conducted to identify Angus's

successor. We were very pleased to announce the appointment of Mark Rigotti MAICD as next MD and CEO.

Mark brings extensive local and international leadership experience to the role, as well as the drive to solve problems, develop people, and improve the organisations he works with.

The board offers its sincere thanks to Angus for his contribution over the last five years, and its support to Mark in building on Angus's legacy by extending the impact and performance of the Institute in pursuit of our purpose.

### Governance initiatives

During the financial year, the following initiatives were implemented to enhance the Institute's standard of governance:

- A review of the AICD's governance documentation, including the adoption of a new constitution and division council charters
- A review of the role of division councils, with the introduction of standard document templates to facilitate meeting efficiency and to improve the effectiveness of the councils as advisory bodies
- An internal board evaluation to ensure continuous improvement, provide greater clarity on roles and responsibilities, enrich decision-making and create efficiencies
- Internal committee evaluations to facilitate continuous improvement and to ensure that each committee remains focused on its agreed responsibilities
- A review of our board committees, which has led to a consolidation of certain committees, a reduction in their overall number and a streamlining of their charters to facilitate meeting effectiveness
- A review of the board's skills matrix to identify skills and diversity gaps. The skills matrix is available on the AICD website: [aicd.com.au](http://aicd.com.au)
- Board succession planning to ensure critical skills are maintained and effective renewal is achieved
- A review of the Director Code of Conduct and Employee Code of Conduct, merging them into one document to reflect best-practice governance.

John Atkin FAICD

# CEO's report

When I joined the AICD in late July 2022, my priority was to meet with stakeholders and listen to feedback and ideas.

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I have met with many of our members, division councils, faculty, partners, and staff as part of a listening tour which concludes this month, November 2022. I have been greatly encouraged by my discussions and the care which so many people have for the Institute.

I am grateful to my predecessor, Angus Armour FAICD, for the time and guidance he afforded me in what was a very smooth transition.

Let me first confirm: we are in a strong position. Angus and our team have navigated the pandemic well, and I believe we are entering a new forward-looking era of hope and ambition.

There are three things that excite me about this role and guide my thinking.

First, our purpose resonates strongly with me. Our membership is comprised of leaders with the influence to strengthen their organisations and, in doing so, society and the economy in general. Our world-class governance education and thought leadership on contemporary best practice provide us with the tools to empower our members and influence effective regulatory settings.

Our purpose-in-action was evident during the effects of lockdowns in the FY22 period. We worked hard to adapt and continue to deliver meaningful impact to our diverse membership, and allow them to maintain momentum toward their objectives.

In the short term, the Institute was able to support members by providing regular updates from the chief economist, with insights on planning and decision-making amidst seismic economic uncertainty (a challenge which endures and, in some ways, has increased in complexity in the new financial year).

We delivered targeted updates on pandemic-impacted regulatory issues, scheduled additional courses for those whose movements and physical attendance were limited by border restrictions, moved courses to larger venues to facilitate physical distancing, introduced hybrid-format events where possible and increased digital learning opportunities.

Second, our reputation as a leader is compelling. Our members' impact is felt in many industries, with over 44 per cent of you identifying the private





We are in a strong position. I believe we are entering a new forward-looking era of hope and ambition.”

sector as your primary sector, 21 per cent choosing not-for-profits and 15 per cent in the public sector. AICD members sit on 193 of the nation's ASX 200 boards.

Our policy focus continued, with the AICD supporting important legislative reforms on continuous disclosure and virtual AGM laws, and contributing to many key policy debates. We also increased our guidance on contemporary governance issues, including climate governance, workplace sexual harassment and cyber governance. A significant step was the launch of the Australian Chapter of the Climate Governance Initiative (CGI) with our partners and the support of CGI International.

Importantly, our Reconciliation Action Plan (RAP) was subject to an external review by the First Nations consulting group IPS Management Consultants, which has formed the foundation of our work to develop our next Innovate RAP.

It's been evident to me on my listening tour of the membership that the ties that bind us are more fundamental than our chosen sector or board: our work is informed by clear and strong ambition to solve problems, improve the organisations we work with and help develop the people we work alongside. To have this reinforced in numerous conversations across the country has been both gratifying and motivating, as we embark on setting new standards for contemporary leadership and decision-making.

Finally, we have great potential, underpinned by sound fiscal management. We have a clear, scalable opportunity to grow our activities through continuous improvement of our operations and innovation in the pathways we offer you, to ensure you get the most from your membership.

For the balance of FY23, my team and I are focused to:

1. Deliver our core services to our usual high standards – education, policy insights and thought leadership, and member and client services.
2. Engage and collaborate across the governance community. We aim to work closely with aligned partners, as we did in FY22 with the Australian Network on Disability to launch the pilot Disability Leadership program, to deepen our understanding and our offerings to Australia's senior leadership community.
3. Simplify and empower our operations to make us easier to deal with. Our digital transformation journey is borne of member demand for more streamlined, user-friendly interactions with the Institute. The relaunched AICD website is the first step in ensuring a more seamless experience for you to access the services you need.

As we emerge from the pandemic, the macro-environment is in a state of flux. However, I am optimistic that with sound decision-making, we will continue to make an impact.

**Mark Rigotti MAICD**

# Strategic vision

In 2021, we developed our FY27 vision, with programs of work spanning a five-year period. The core themes in our strategy are governance and policy leadership, education and development, and a community of peers.

In governance and policy leadership, the strategic themes are to: reshape the advocacy narrative; reset stakeholder perceptions; engage and mobilise members; and stretch horizons. In FY22, priorities included evolving our policy voice, building our First Nations sector focus, lifting member visibility of our governance and policy leadership work, and lifting contemporary governance practice focus.

In education and development, our focus is to adopt best-practice principles for our learners. By improving our learners' experience, we can assist them to become more effective directors. To advance this strategy, we are working to keep our curriculum current, offer flexible delivery and strengthen our assessment process.

In terms of community, we look to strengthen the membership and its network of peers, creating a thriving online community.

Our members can engage in this community through our events, education, webinars and business centres and member lounges. We are continuing to build on these offerings to make them more compelling and easier to engage with, while exploring new value-add services.

Each of these themes is directed at delivering positive outcomes that align to our purpose. Our goal is for members to be equipped and self-motivated to exercise (socially and economically) responsible governance, building trust (and confidence) in a fair, prosperous and lawful society.

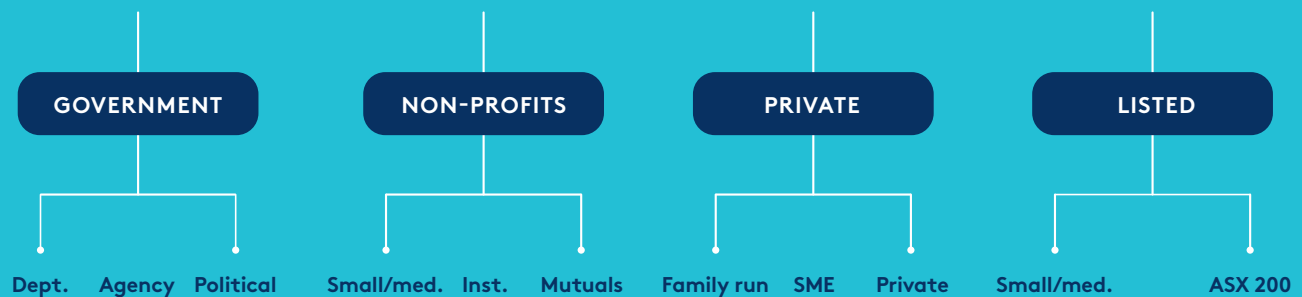
Our initiatives are underpinned by the digital enablement of the organisation, including an ambitious modernisation and replatforming program.

This year, we launched our new AICD website and distributed eight practice statements to help directors understand the practical implications of changing regulations and laws.



## Our FY27 vision is to be the leading global platform for directors

The AICD is the leading global platform that provides all members a voice, a community, and the capabilities they need across their lifetime as directors.



### GOVERNANCE & POLICY LEADERSHIP

The AICD is the trusted voice of good governance, driving positive change in policy and practice



### EDUCATION & DEVELOPMENT

The AICD gives members confidence in their lifelong journey as corporate leaders



### COMMUNITY

The AICD offers members a network of peers that reinforces and extends their practice of good governance

So that members are equipped and self-motivated to exercise (socially and economically) responsible governance, building trust (and confidence) in a fair, prosperous and lawful society.

# Highlights: snapshot

While COVID-19 continued to adversely impact face-to-face education and events in FY22, we used hybrid and digital formats to provide members with world-class governance education.



Growing our membership to 49,456



Delivering governance education courses to more than 13,000 participants



Launching the Climate Governance Initiative Australia, a multi-partner collaboration to strengthen and support climate governance in Australia



Providing a complimentary *Ethics in the Boardroom* e-learning program to more than 9,000 members



Completing an external review of our first Reconciliation Action Plan (RAP)



Hosting a hybrid-format Australian Governance Summit, attended by more than 1,500 participants



Deploying a new AICD website



36,633 enrolments in webinars on critical topics including digital capability, cyber security, ESG and climate governance, and organisational sustainability



Appointing our first Sector Lead – First Nations to lift focus on First Nations governance issues and services





Highest level of gender diversity for ASX 200, at 34.7 per cent (May 2022)



Achieving 30 per cent gender diversity milestone for ASX 201-300 boards (May 2022)



Launched the seventh AICD Chair's Mentoring Program, our flagship diversity initiative



10,000+ *Directors on Digital* podcast downloads



37,000+ *The Dismal Science* podcast downloads



Funding 186 not-for-profit scholarships for participants to complete the *Governance Foundations for NFP Directors* course



Training 175 young observers on NFP boards, in partnership with the Observership Program



Securing important legislative reform to continuous disclosure and virtual AGM laws



Providing input on policy issues including class actions, insolvency, NFP fundraising, director IDs, cyber regulation and sustainability reporting



Launching the pilot Disability Leadership program, in partnership with the Australian Network on Disability

We supported members through the COVID-19 crisis with economic updates from our chief economist, and briefings on regulatory issues related to the pandemic.

# The board



## John Atkin FAICD

BA (Hons), LLB (Hons)  
Chair and National Director

**Appointed second term** 01/03/2022

**Board committees** Membership, Nominations & Governance Committee — member, People & Culture Committee — member and all other board committees — attendee

**Other** ASX Chairs' Forum — member and NFP Chairs' Forum — member

John is currently chair of Qantas Superannuation Limited, a non-executive director of IPH Ltd and Integral Diagnostics Ltd and vice chair of Outward Bound International Inc. Prior to his non-executive director career, John was CEO of The Trust Company, successfully steering the organisation through the GFC. Prior to this, he spent six years as national managing partner of Blake Dawson (now Ashurst) and 15 years as partner at Mallesons Stephen Jaques (now King & Wood Mallesons).

John is a graduate of both the *Company Directors Course* and *Mastering the Boardroom* and, in January 2020, he completed the *Boardroom Mastery* program.



## Anne Cross AM FAICD

BSW, MSW  
Deputy Chair and QLD Division Director

**Appointed second term** 13/09/2022

**Appointed deputy chair** 10/06/2022

**Board committees** Membership, Nominations & Governance Committee — member and People & Culture Committee — member

**Other** NFP Chairs' Forum — chair

Anne is a non-executive director of St Vincent's Health Australia and its subsidiary companies. She is chair of Uniting Church in Australia Redress Ltd and deputy chair of Opera Queensland. She is member of the Senate of the University of Queensland.

Anne concluded her executive career as chief executive of UnitingCare Queensland in 2017, after a long career working in health, aged care, disability and community services. She is an adjunct professor in the Faculty of Health and Behavioural Sciences at the University of Queensland.

Anne was admitted as a member in the Order of Australia for her services to social welfare organisations and women in 2018. She was named Telstra's National Business Woman of the Year in 2014.



## Julie Cooper FAICD

BA (Arts/Journalism), Grad Dip (Business)  
SA/NT Division Director

**Appointed** 22/12/2021

**Board committees** People & Culture Committee — chair and Technology, Innovation & Major Projects Committee — member

Julie is chair of the South Australian Film Corporation, Nova Systems Pty Ltd, and a member of the Sarah Group's advisory board (Construction and Property). She is a director of Australian Submarine Corporation, Credit Union SA and chair of the Credit Union's governance committee. Julie is also a director of Helping Hand (Aged Care) and a member of its finance and property committee. She is a member of the finance and audit committee for the Adelaide Football Club; a director of the Adelaide Crows' Foundation, and chair of the foundation's risk and audit committee. She is a member of the International Women's Forum Australia (IWFA).

Before embarking on a board career, Julie spent more than 25 years working in the brewing, banking and defence sectors. She was also a management consultant for McKinsey & Company, operating out of the firm's London office.





### Naomi Edwards FAICD

BSc (Hons), FIA, FIAA  
TAS Division Director

**Appointed second term** 30/08/2021

**Retiring** 29/11/2022

**Board committees** Audit & Risk Committee — member

Naomi is independent chair of Spirit Super, Accurium Ltd and the risk and compliance committee for the Department of State Growth, Tasmania. She is a non-executive director of Propel Funeral Partners, Yarra Investment Management Ltd and the Tasmanian Economic Development Board. Naomi also is director and vice president of the Actuaries' Institute of Australia.

She was formerly chair of Australian Ethical Investments, trustee of Australian Ethical Super and non-executive director at Hunter Hall.

Naomi was previously an actuarial consultant at Trowbridge Consulting and a partner at Deloitte, where she led the Financial Services Industry Group following Deloitte's merger with Trowbridge in 2000. She is a fellow of both the British and Australian actuarial institutes.



### Derek La Ferla FAICD

BA, BJuris, LLB  
WA Division Director

**Appointed second term** 15/07/2022

**Board committees** Membership, Nominations & Governance Committee — chair and People & Culture Committee — member

Derek is chair of Chalice Mining Limited, Green Peak Energy Pty Ltd and Poseidon Nickel Limited. He is a part-time partner with Western Australian law firm Lavan.

Derek has been on the AICD Western Australia Division Council since 2015 and a fellow since 2011.

Derek is a corporate lawyer and company director with more than 30 years' experience. He has held senior positions with some of Australia's leading law firms and a variety of board positions with listed public companies and not-for-profit organisations.



### Heith Mackay-Cruise FAICD

BEC  
National Director

**Appointed** 10/06/2022

**Board committees** Audit & Risk Committee — member and Technology, Innovation & Major Projects Committee — member

Heith has been involved in the media, education and technology sectors over the past 25 years. Heith is currently the non-executive chair of UP Education Limited and Straker Translations Limited, a non-executive director of Southern Cross Media Group Limited and a non-executive director of Orro Holdco Pty Ltd.

Heith is a previous non-executive chair of LiteracyPlanet, hipages Group and the Vision Australia Foundation, as well as a previous non-executive director of LifeHealthcare and Bailador Technology Investments.

In Heith's prior executive career, he was the founding CEO of Sterling Early Education, the global CEO and managing director of Study Group, and CEO of PBL Media New Zealand. Heith also held senior positions with Australian Consolidated Press and worked in sales and marketing roles for PepsiCo around Australia.

Heith is a Kilfinan Australia mentor, a member of the Young Presidents Organisation and a fellow of the Australian Institute of Company Directors.

# The board *(cont.)*



## Rebecca McGrath FAICD

BTP (Hons), MAppSc (ProjMgt)  
VIC Division Director

**Appointed** 13/11/2020

**Board committees** Technology, Innovation & Major Projects Committee — member

Rebecca is chairman of ASX 100-listed Oz Minerals Ltd, Scania Australia Pty Ltd, Investa Office Management Holdings Pty Ltd, Investa Wholesale Funds Management Limited and Investa Commercial Property Fund. She is a non-executive director of Macquarie Group Limited, Macquarie Bank Limited and Goodman Group, and a member of the ASIC Director Advisory Panel and the Australian British Chamber of Commerce advisory council.

Rebecca is also president of the Victorian Division Council of the Australian Institute of Company Directors, member of Chief Executive Women and an ambassador for the National Association of Women in Operations.

Prior to her non-executive career, Rebecca spent 23 years as an executive in the oil industry with BP in Australasia, Europe and the United Kingdom.

She is a fellow of the Australian Institute of Company Directors and, in 2014, was recognised as one of the AFR/Westpac "Australian 100 Women of Influence".



## Dr Michael Schaper FAICD

BA, MComm, PhD  
ACT Division Director

**Appointed** 06/11/2021

**Board committees** Audit & Risk Committee — member and Membership, Nominations & Governance Committee — member

**Other** National Education Advisory Committee — chair

Michael is chairman of the federal government's Shadow Economy Advisory Forum, chair of the Australian Finance Industry Association Buy-Now-Pay-Later Code Committee and board member of the Small Business Development Corporation of WA. He is chair of the University of Canberra Business School advisory board and a member of the Gaming & Wagering Commission (board) of WA. He is also a senior visiting fellow at the Institute of Southeast Asian Studies, and was CEO of the Canberra Business Chamber.

Michael was previously full-time deputy chairman of the Australian Competition and Consumer Commission, as well as ACT Small Business Commissioner, dean of Murdoch University Business School in WA, head of the School of Business at Bond University in Queensland and chair of the ACT Minister's Small & Micro-Business advisory council. Michael is an honorary fellow of the Institute of Public Accountants and a member of the governing council of the University of Canberra.



## Arlene Tansey FAICD

MBA, Juris Doctor  
NSW Division Director

**Appointed** 06/11/2021

**Board committees** Audit & Risk Committee — chair and Membership, Nominations & Governance Committee — attendee

Arlene has over 30 years' experience as a senior executive in business, corporate and investment banking and financial services gained in Australia and the United States, and extensive experience as a company director.

Arlene is currently a non-executive director of Aristocrat Leisure Limited, TPG Telecom Limited, WiseTech Global Limited (retiring 23 November) and Lendlease Real Estate Investments Limited. She will become a non-executive director of McMillan Shakespeare Group on 7 November.

She is a former non-executive director of Adelaide Brighton Limited and Healius Limited. She is also a member of the Australian National Maritime Museum Council. Arlene is a member of Chief Executive Women and the International Women's Forum Australia.

She has a Juris Doctor (Law) from the University of Southern California and an MBA in finance and international business from New York University.



## Nicola Wakefield Evans FAICD

BJuris, LLB (UNSW)  
National Director

**Appointed second term** 22/11/2019

**Retiring** 29/11/2022

**Board committees** Audit & Risk  
Committee — member

Nicola is chair of 30% Club Australia and a director of Lendlease Corporation Limited, Macquarie Group Limited, Macquarie Bank Limited, MetLife Insurance Australia and Viva Group Energy Limited. She is also a member of the Australian Government Takeovers Panel, and a director of the Clean Energy Finance Corporation, the Goodes O'Loughlin (GO) Foundation and the UNSW Foundation Limited.

Nicola has significant Asia-Pacific experience as a corporate finance lawyer and was a partner at King & Wood Mallesons (and its predecessor, Mallesons Stephen Jaques) for more than 20 years. She held several key management positions at King & Wood Mallesons, including managing partner, International, in Hong Kong and managing partner, Practice, in Sydney.



## Kee Wong FAICD

BEng (Hons), MBA, GradDipComp  
(Distinction)  
National Director

**Appointed second term** 28/06/2019,  
extended by one year

**Retiring** 27/06/2023

**Board committees** Technology,  
Innovation & Major Projects  
Committee — chair

**Other** Governance of Innovation &  
Technology Panel — chair

Kee is the founder and managing director of e-Centric Innovations, operating in Australia, New Zealand, the United States and SE Asia. Kee is a non-executive director of carsales.com Ltd, Australian Energy Market Operator, Committee for Melbourne, Breakthrough Victoria, InvoCare, Dreams2Live4 and Walter and Eliza Hall Institute (of medical research). He is a trustee of the Victorian Arts Centre Trust.

Kee is also a member of the Victorian Government Ministerial Advisory Council on International Education, the ANU Centre for Asian Australian Leadership advisory board and Swinburne University's technology and innovation committee. Kee is an adjunct professor at La Trobe University and immediate past chairman of the Australian Information Industry Association.



## Mark Rigotti

BA, LLB (Hons), LLM  
Managing Director and Chief  
Executive Officer

**Commenced** 06/09/2022

**Board committees** All board  
committees — attendee

**Other** All policy committees and  
forums — attendee

Mark joined as managing director and CEO in 2022. His previous roles included partner and senior adviser at global law firm Herbert Smith Freehills (HSF). Mark served as the global CEO at HSF for two terms over 2014–2020. He was also chair of the firm's global executive, chair of the Global Diversity & Inclusion Group and a member of the HSF Global Partnership Council.

Prior to becoming global CEO of HSF, he was a member of the management team, and led a number of practice groups, including the Banking and Finance Group and Corporate Group.

Mark was the chair of the Open Society, Common Purpose taskforce, whose members include the CEOs of the Law Council of Australia, PwC Australia, Settlement Services International, and academics from The University of Sydney.

Mark is chair of Redkite Children's Charity and a board member of the European Australian Business Council. Additionally, Mark is a member of the Business Council of Australia and the Financial Services Institute of Australia.



# Executive



## Mark Rigotti MAICD

BA, LLB (Hons), LLM  
Managing Director and  
Chief Executive Officer

Mark joined as managing director and chief executive officer on 6 September 2022. His previous roles included partner and senior adviser of global law firm Herbert Smith Freehills (HSF). Mark served as the global CEO at HSF for two terms over 2014–2020. Prior to this role, he was a member of the management team and led a number of practice groups, including the Banking and Finance Group and the Corporate Group.

Mark was chair of the Open Society, Common Purpose taskforce, whose members include the CEOs of the Law Council of Australia, PwC Australia, Settlement Services International and academics from the University of Sydney.

He is chair of Redkite Children's Charity and is a board member of the European Australian Business Council. Additionally, Mark is a member of the Business Council of Australia and the Financial Services Institute of Australia.



## Helen Wild FAICD

BComm, GradDipACG,  
FCPA, FGIA, CIA  
Chief Financial Officer and  
Company Secretary

Helen joined the AICD in 2020 and is responsible for the oversight of Finance, Risk, Legal, Human Resources and Company Secretariat.

Helen has over 25 years' strategic commercial experience encompassing private, government and not-for-profit organisations, holding senior management and executive positions across industries including education, insurance, aviation, manufacturing, rail, construction and local government.

The breadth of Helen's experience includes financial management, corporate governance, risk management, legal compliance, human resources, information technology and media relations.

Helen's qualifications include a Bachelor of Commerce and Graduate Diploma of Applied Corporate Governance. Helen is currently a non-executive director of The Y NSW.



## Kathryn Marshall GAICD

MBA  
Acting General Manager  
Members and Clients

Kathryn joined us in 2014 and is responsible for the Member, Directors and Clients products and services portfolio.

Kathryn has over 20 years' experience as a senior executive and national manager within the education, retail and wholesale sectors. She has industry experience spanning education, pharmaceutical, fashion and cosmetics, with a focus on generating results through leadership, transformational change management and process improvement.

Kathryn has a Master's in Business Administration and has served on the board of not-for-profit organisation dLux Media Arts.



## Ben Ryan GAICD

BA (Acc)  
General Manager Marketing  
and Communications

Ben joined the executive in 2011 and has responsibility for marketing and member communications, including our flagship *Company Director* magazine, regular membership update newsletters and ongoing production of high-quality multimedia governance content.

Ben has more than a decade of experience in the public, private and not-for-profit sectors, where he has led digital and communication strategies for education and membership organisations in Australia and the United Kingdom.



### **Louise Petschler** **GAICD**

BA (Hons)  
General Manager  
Governance & Policy  
Leadership

Louise joined the AICD in July 2015 with responsibility for our advocacy functions, including public policy and government relations, media, economic insights, not-for-profit sector focus and board diversity.

Louise was previously CEO of the Customer Owned Banking Association, the peak body for Australia's mutual banking sector. She has also held senior roles in consumer advocacy, government and financial services, and board positions in financial services and the community sector.

Louise is currently a director of HADIA, a charity providing mobile library and prosthetic limb services in Afghanistan.



### **Vince Di Chiara**

BA (Acc)  
Chief Digital and  
Information Officer

Vince joined the executive in May 2020 with over 20 years' experience across the technology and financial services landscapes, including with media and software companies. He brings a growth mindset and a focus on technology's capacity to help an organisation achieve its purpose.

Most recently, he was CIO and executive director, Business Technology Services at Revenue NSW (NSW Department of Customer Service). Prior to that, he held various roles at CBA, including general manager and CIO of Global Markets. In these roles, Vince's commitment to the development and execution of technology and digital strategy has underpinned business transformations, along with the introduction of agile and lean practices.



### **Sandra McDonald** **GAICD**

BAppSc(MRT), GradDip  
(MedUltrasound), GradCert  
(Mgmt)  
Acting General Manager  
Education\*

Sandra joined the AICD in February 2020. She is an experienced leader, who has worked for more than 20 years for public, private and NFP businesses in health care and education. She is passionate about developing people, innovation strategies and service models to enable greater access to education for enhanced social outcomes.

As a previous business owner, Sandra is a confident and influential communicator, and has established a positive reputation for building productive stakeholder networks, and leveraging these to drive positive business outcomes.



### **Nicole Meehan** **GAICD**

BA (Hons)  
Acting General Manager  
Education\*

Nicole joined us in early 2020 with over 25 years of experience in the design, development and delivery of high-quality and engaging educational programs and digital products.

As a senior leader, Nicole has led global teams across a wide range of education sectors and commercial markets at local, regional and international levels. A key aspect of Nicole's professional focus is the intersection of people, technology and innovation to improve educator and learner outcomes.

\* Sandra McDonald: 16/02/2022-15/04/2022; 10/09/2022-9/12/2022; Nicole Meehan: 16/04/2022-9/09/2022

# How community-controlled entities can drive change



## Meet a member

**Sandra Bailey LLB CM GAICD**  
Director Brien Holden Vision  
Institute

With her background in legal aid and current roles as a non-executive director on several boards in the First Nations healthcare sector, Yorta Yorta woman Sandra Bailey GAICD reflects on her journey and governance lessons.

I am a Yorta Yorta woman and grew up on country in Shepparton, Victoria. I completed secondary education in a technical college that only went to year 11. When seeking to enrol at the only high school in town, the principal told us tech school kids we “didn’t have the aptitude” to even try. Bendigo Tech then set up a small campus in Shepparton to accommodate year 12 tech students. During that year, a teacher suggested I should study law at Melbourne University. Company law was part of the curriculum. The university environment was alienating and I found it hard to settle into the city. I rang home most days, usually reverse-charge.

I was the first Aboriginal student to graduate from the Melbourne University Law School and my family and community were very proud.

I did my articles of clerkship with Slater and Gordon, learning about the Workers’ Compensation Tribunal and common law, including once instructing in the Federal Court. I had only one Aboriginal client and was always glad when that person had an appointment. It was a memorable day when then barrister Mick Dodson AM moved my admission to practice in the Supreme Court of Victoria. I worked as a solicitor with the Victorian Aboriginal

Legal Service, appearing mostly in local magistrate’s and children’s courts in country towns.

There was no hiding the fact that Aboriginal people were overrepresented in the criminal justice system. Whatever the outcome on that court day, it would most likely have a negative impact on their lives in some way, even for cases of what I’d call a “trivial” nature — and especially when clients pleaded guilty. I learned the relationship between race, disadvantage, poverty and justice.

My mother, a Yorta Yorta woman, was born and raised on the Cummeragunja Aboriginal Reserve. Cummeragunja has a long history and, in 1939, the community walked off to protest living conditions there. Some people stayed put and some returned over time to the only home they knew. I grew up learning about this history.

Like the other children there, mum was taught to grade 2 level in the Cummeragunja school.

At the age of 14, they were all sent to work as domestics or hands on farms and stations.





It was exciting to be on that council with many Elders, who were custodians of knowledge and politically involved in the struggle for recognition of rights, land rights, sovereignty and self-determination.”

There was no access to health services, the nearest hospital was in Echuca — if you could get there by horse and cart, and could be admitted to the hospital. Hospitals were known to have segregated wards for Aboriginal patients. My grandmother, aunts and ancestors looked after people in the traditional way if they were sick, but there would be few remedies for imported diseases, which had decimated the Aboriginal populations over time. The tiny, unmarked graves in the cemetery bore witness to the sad reality.

In 1983, only a few families remained on Cummeragunja and fears arose among the community that the government might be planning to close and sell the land. A residents’ committee was formed, which was later incorporated under the Aboriginal Councils and Associations Act 1976. Projects began to happen, including a building and renovation program and, importantly, salaries were paid, creating employment instead of the “working for the dole” payments. The access road was sealed, allowing the school bus to

pick the kids up on rainy days. Water quality was also addressed, although not entirely, due to water retention upstream for farming and recreation. An Elders’ hostel was set up, as well as a health service. I call this my first directorship. I was later nominated to represent the region on the executive of the newly formed Aboriginal Health Resources Committee.

In NSW, on 9 March 1984, the title deeds for Cummeragunja passed to the Yorta Yorta people. In Victoria, a claim was prepared by the Yorta Yorta Tribal Council for the return of the Barmah Forest to its Traditional Owners. Yorta Yorta country spans the Dhungulla (Murray River).

I learned a lot at our meetings — it was exciting to be on that council with many Elders, who were custodians of knowledge and politically involved in the struggle for recognition of rights, land rights, sovereignty and self-determination.

I was also a director of the Victorian Aboriginal Legal Service board, and the Aborigines Advancement League, which was established by early leaders such as Cummeragunja Elder Uncle William Cooper (1861–1941) and other activists for land rights and justice. This leadership inspired me. I learned how governance of a for-purpose entity, controlled by its community, could be a vehicle for change.

When the Royal Commission into Aboriginal Deaths in Custody was underway, I was asked to head up the Victorian Issues Unit.

It was tasked with seeking the views of Aboriginal communities, government departments and organisations about the underlying issues contributing to the disproportionate representation of Aboriginal people in the criminal justice system, the high incarceration rates and deaths in custody.

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Read the full story in the April 2022 issue of *Company Director* magazine – [aicd.com.au](http://aicd.com.au)

# Sustainability report

## INTRODUCTION

This year, we have dedicated a section of our annual report to reporting on our own sustainability performance. This reflects our role as Australia's leading governance body for company directors, and a strong desire to be authentic in terms of our advocacy for Australian business to act responsibly, not just in relation to their governance practices but also in identifying and managing their social, environmental, and economic impacts.

In previous annual reports, we have accounted for certain aspects of our own corporate responsibilities, including our governance practices, our engagement with stakeholders, our member education programs, gender diversity and remuneration data, as well as our workplace culture and values. We are now looking to progressively step up our non-financial disclosures, with a broader range of environmental, economic, social and governance (EESG) information and data that covers our organisational impacts, as well as our impacts on our members and other stakeholders, including the environment.

Although we are unlikely to have as large a footprint as many of our members' organisations, we believe it is every organisation's obligation to be transparent and accountable for its actions and impacts — be they positive or otherwise.

## REPORTING WHAT MATTERS

As part of our approach to disclosing EESG impacts and opportunities during the year, we conducted a materiality review in July 2022 to consider and agree the key issues that should be reported in FY22.

In terms of our own organisational performance, we have begun to consider environmental aspects such as energy, carbon, water, paper, waste and recycling. We reflected on our employee practices, such as HR policies and processes, employee diversity, and pay. We examined our social impacts in relation to sponsorships, community initiatives and volunteering activities. In terms of governance, we reviewed the application of our values and governance mechanisms, as well as our broader business responsibilities in relation to supply chain policies, ecofriendly and socially responsible procurement, and modern slavery risks.

We also have external impacts through our industry research, policy work, advocacy, and member education activities and to what degree these activities contribute to our members' capabilities and enhance awareness in the wider business community around responsible and sustainable governance practices.

At this early stage of our sustainability reporting, we are realistic as to our capabilities to report on all the above matters, pending the availability and completeness of information and data, but we are also prepared to commit to escalating our EESG accountability in future reports.

The following are the material areas of our business that we can report on this year. We have classified them into:

### 1. Outward-looking disclosures:

EESG aspects associated with our policy work, advocacy, research, media and education activities

### 2. Inward-looking disclosures:

EESG impacts associated with the operation of our national and state offices.





# Australia's Economic Opportunities From the Transition to Net Zero

Philip Chronican GAICD  
Chair, NAB

Moderator:

Alicia Barry



## 1. Outward-looking disclosures

Most of our external impacts relate to our ongoing engagement, policy research, advocacy, communication and education activities with key stakeholders.

### Engaging and supporting our stakeholders

Stakeholder engagement is a key aspect of our being an inclusive, learning-focused and responsive organisation. We engage with a range of stakeholders to inform our input to public policy and law reform, and in the development of contemporary governance practice guidance for directors.

During FY22, the Governance & Policy Leadership area held over 180 engagements with key governance and policy stakeholders. These include:

- Industry and governance bodies (such as the Law Council of Australia, Chartered Accountants Australia & New Zealand, Business Council of Australia, Governance Institute of Australia, Australian Council of Superannuation Investors, 30% Club Australia, ASX Corporate Governance Council, JusticeConnect, Aged & Community Services Australia, Chief Executive Women)
- Over 50 meetings with ministers, shadow ministers and members and senators of the federal parliament, on governance and policy-related matters
- Regular engagement with Treasury, ASIC, ACNC, APRA, the ATO and other relevant governance regulators, government departments and statutory authorities.

In FY22, we undertook the following stakeholder engagement activities:



STAKEHOLDER	ENGAGEMENT PATHWAY	OUTCOMES SOUGHT
Members	Scholarships	Improving governance practices for directors of NFPs, SMEs, First Nations enterprises, and women in regional and remote communities
	Essential Director Update series of events for AICD members nationwide	Enhanced understanding of current regulations and legislation in a changing governance landscape
	Director Sentiment Index (twice yearly) <i>NFP Governance Survey</i> Topic-specific surveys	Evaluating economic, governance and practice priorities for directors Enhancing our annual <i>Not-for-Profit Governance and Performance Study</i> Gathering member input on key issues
Governance/industry stakeholders	100+ engagements with key governance and industry stakeholders	Gathering and assessing stakeholder views on governance policy, law reform and contemporary practice issues to inform our priorities and approaches
Government and regulator stakeholders	30+ submissions relevant to governance and policy law reform, and policy consultations Regular liaison with key governance regulators ASIC and ACNC, and key departments 50+ meetings with ministers and shadow ministers, MPs and senators	Enhancing our input into governance and policy law reform, policy development and issues of interest to our members
	Government advisory forums (ASIC Corporate Governance Consultative Panel; ACNC Adviser Forum; Modernising Business Communications Expert Panel (PM&C); ASIC Cyber Consultative Panel; AASB/AUASB Sustainability Reporting Project Advisory Panel; Modernising Business Registers Business Advisory Group; CATSI Act Review Stakeholder Reference Group; Child Safe Sectors Leadership Group; ATO NFP Stewardship Group)	Providing the collective knowledge and perspectives of our members on a wide variety of current issues, including proposed regulatory changes; market conditions and threats; charity law, taxation, accounting and policy; business efficiencies; cyber resilience of financial services and markets; fit-for-purpose regulatory framework for First Nations corporations; youth wellbeing and safety; NFP challenges and opportunities





## It is every organisation's obligation to be transparent and accountable for its actions and impacts."

Our contributions to public policy and law reform are informed by input from our policy advisory committees, which advise management on contemporary governance and policy matters.

We have seven policy committees that met in FY22 as below (policy committee members are listed at the end of this report):

- ASX Chairs' Forum (comprising ASX 50 chairs, met twice in FY22)
- NFP Chairs' Forum (comprising chairs of NFP organisations, met three times in FY22)
- Corporate Governance Committee (comprising senior directors, met six times in FY22)
- Reporting Committee (comprising senior directors and stakeholders, met six times in FY22)
- Law Committee (corporate law experts and senior directors, met six times in FY22)
- APRA Forum (directors of APRA-regulated entities, met four times in FY22)
- Governance of Innovation and Technology Panel (subject-matter experts and directors, met three times in FY22).

In FY22, through the Climate Governance Initiative, we and our partners formed a CGI Steering Committee and Director Advisory Committee to guide the initiative's focus on upskilling and supporting Australian boards and directors on climate governance.

We also establish topic-specific reference groups to inform specific work (current examples include the Cyber Governance Principles Reference Group and Innovation Study Reference Group).

Our curriculum and its impact are informed by our faculty and our National Education Advisory Committee (NEAC). Our faculty contributes to the writing of our curriculum and delivers the courses to our learners. In FY22, we conducted a review with faculty, which identified areas of strength and opportunities to deliver greater outcomes.

NEAC brings an important level of educational insight, with a cross-industry perspective. It also provides guidance on the application of our Director Professional Development (DPD) system, which supports members to maintain the currency of their professional development.

In FY22, our stakeholder partnerships on contemporary practice guidance included:

- Governance Institute of Australia, Law Council of Australia and Australian Investor Relations Association on virtual AGM practice and law reform
- Australian Human Rights Commission, on the role of the board in preventing workplace sexual harassment
- Chief Executive Women on workplace sexual harassment resources for directors, and Clayton Utz on a prevention and response guide for boards

- Deloitte, Herbert Smith Freehills, MinterEllison, Pollination and PwC Australia: establishment of the Climate Governance Initiative Australia, and director resources
- University of Queensland, on Australian board gender diversity progress and lessons
- Board diversity, including the seventh cohort of the AICD's Chair's Mentoring Program
- Quarterly reporting of ASX 300 progress on board gender diversity
- A partnership with the 30% Club Australia (promoting increased gender diversity on Australian boards).

In FY23, we will be investing in our stakeholder engagement framework, applying the governance principles in our 2021 *Elevating Stakeholder Voices in the Boardroom* guide. The Governance & Policy Leadership team will improve the mapping and identification of policy and contemporary practice stakeholders.

We will also establish a reference group to support the Sector Lead – First Nations function. In the coming year, we will also seek to expand our material issues identification process to incorporate broader stakeholder input into this report.

Through our new Reconciliation Action Plan (RAP), which is currently in development, we have committed to developing a stakeholder engagement process for First Nations members, stakeholders, and local Traditional Owners.

Governance practice initiatives currently in development with stakeholders include:

- Cyber Governance Principles (with the Cyber Security Cooperative Research Centre)
- Innovation in the Boardroom (with University of Sydney Business School)
- Climate governance (with Climate Governance Initiative partners)
- Collaboration on sustainability standards and related legal issues with key stakeholders.

### Education and lifting standards of practice

One of the largest impacts we can have on improving sustainable business practices and further embedding EESG considerations into business strategy, risk management and related processes, is through our extensive professional development program for members.

In FY22 we delivered the *Digital Directors* initiative, a program of 10 webinars funded by the Department of Industry, that has had 7,800+ online participants and is available free of charge to everyone.

In the past year, through self-funded and externally supported scholarship programs, we have provided access to governance education. In FY22, this included 186 AICD-funded scholarships for directors of small not-for-profits (NFPs) to complete our *Governance Foundations for NFP*

*Directors*, as well as programs for:

- Directors of small-to-medium enterprises
- First Nations directors
- Women in regional and remote communities.

Through our Governance & Policy Leadership area, we also provide directors with research and guidance on contemporary governance issues.

Examples in FY22 include:

- *Directors' Best Interests Duty: Practice Statement & Legal Opinion* (Jul 2022)
- *Boards and Cyber Resilience* study (Jun 2022)
- Virtual AGM and electronic communications guidance for directors (Mar 2022)
- *What's Next After COP26? Lessons for Boards* (CGI Australia, Nov 2021)
- *NFP Governance & Performance Study* (Nov 2021)
- *AICD Governance Snapshot: The Board's Role in Workplace Sexual Harassment* (Aug 2021)
- *Australia's Business Judgment Rule* (Aug 2021)
- *Climate Risk Governance Guide for Directors* (CGI Australia, Aug 2021).

For FY23, we are looking to expand or increase our range of education

resources developed and delivered face-to-face or online. This includes:

- A Disability Leadership program – 200 scholarships over three years for participants identifying as a person with a disability, with 85 in FY23, in partnership with the Australian Network on Disability and the Department of Social Services
- Continuation of our Women's Leadership scholarships
- Delivering a First Nations sector strategy to lift our impact, focus and engagement with First Nations members and organisations
- Expanded AICD-funded scholarships for NFP and First Nations directors
- Delivering our second Innovate RAP, with priorities to include a cultural audit of core services and uplift in cultural competence
- Contemporary practice initiatives, including:
  - Cyber Governance Principles
  - Review of NFP Governance Principles
  - Audit Quality and Role of the Board
  - Innovation in the Boardroom
- Climate governance, including:
  - Climate Governance Forum
  - a range of resources throughout the year (webinars, *NFP Climate Governance Guide*, climate reporting for boards, and more).



The Climate Governance Forum highlighted the need for greater coordination and leadership around climate responses in both the public and private sectors. ”

### Case study: AICD Climate Governance Forum 2022

This year, around 1,300 directors and business leaders gathered in Sydney and online to share insights and strategies on the risks and opportunities of our changing climate. Part of the Climate Governance Initiative Australia (CGI Australia), the forum included sessions on the economic transition to net zero, reporting obligations, and factoring stakeholder considerations into decision-making.

Keynote speakers included Penny Bingham-Hall FAICD — non-executive director of Bluescope Steel, Dexus Property Group and Fortescue Metals — who addressed the forum on the need for government to move faster on climate change and energy transition policy, and the corporate sector's frustration at the lack of progress in this area. Penny also emphasised the urgency for boards to think about decarbonisation, renewable energy and adapting to climate change. Zoe Whitton, a partner at climate change investment advisory Pollination, also spoke at the forum on the commonality of solutions across sectors in dealing with the energy crisis. Other speakers included Stephen Dunne FAICD, chair Investor Group on Climate Change, Christian Gergis GAICD, AICD Head of Policy and Geoff Summerhayes GAICD, chair Beyond Zero Emissions and chair CGI Australia Steering Committee.



An expert panel discussed the challenges for boards in considering climate change from a long-term perspective and how to best address these. Further sessions gave insights into how boards can assess stakeholder interests around climate impacts, and govern future investments in climate transition.

The forum was a key opportunity for the AICD and CGI Australia to build the knowledge and capacity of members to identify and respond to the threats and opportunities of climate change for their own businesses and their value chain. It highlighted the need for greater coordination and leadership around climate responses in both the public and private sectors, and featured senior attendance and engagement from key government, industry and stakeholder representatives.

### Member satisfaction

In FY22, we achieved a 6.1 per cent net growth in membership to 49,456 members (FY21: 46,608).

We track our members' satisfaction through a regular market research program, which has been in operation since 2009. Our members share the following core needs, all of which have a satisfaction rating of greater than 80 per cent:

- Making you a more effective director — 88 per cent satisfied
- Making you aware of your liabilities and responsibilities — 88 per cent satisfied
- Making your board/business more effective — 81 per cent satisfied.

Our members would like us to do more in opening doors for them and supporting networking. We are reviewing how we might better service this need in the future.

## 2. Inward-looking disclosures



### Energy/carbon

In FY23, we are collecting data to confirm that our offices are located in buildings with energy appropriate NABERS/Green Star ratings.

We will aim to provide a more complete picture of the carbon footprint of our offices and business activities including, where possible, the carbon impacts of our travel and conferences. We will also commence the progressive offsetting of all our business air travel and our member events. We will also commence a program to improve the energy rating of the appliances used in our offices as they come due for replacement.



### Water

In FY23, we are collecting data about our overall water consumption across our offices. We intend to use this figure as a baseline to measure our future water use against. We recognise that this figure may still be artificially low this past year due to the impacts of the pandemic on the use of our office facilities.

For FY23, while we have limited opportunity to reduce water use in our offices due to leasing arrangements, we will look for any available opportunities to enhance water outcomes, for example, in relation to the venues we select for conferences and meetings.



### Paper

In FY23, we are collecting data about our overall paper consumption across our offices this year. We only purchase office paper that is carbon-neutral certified, made from PEFC certified plantation timber, produced from elemental chlorine free (EFC) pulp and is Australian made. In all our offices, we ensure that used office paper is collected in a separate waste stream to be recycled.

For FY23, we will continue to monitor our paper consumption to ensure that we optimise its use and achieve reduction where possible. We will also encourage our employees to limit printing only to instances where it is needed for a specific and defined business purpose.



### Waste

In all our offices we have removed personal wastepaper bins from desks and instead have central landfill and recycling bins. This encourages waste separation practices and enables better recycling outcomes.

As with water, we have limited opportunities to measure our waste and recycling in our offices due to leasing arrangements. However, for FY23, we will actively explore with our state office landlords any available opportunities to capture and account for our waste streams and to improve recycling outcomes. We will also consider waste and recycling criteria in selecting venues for our conferences and meetings, particularly in areas such as catering.





### Procurement

In FY22, we analysed our top five suppliers by spend to determine if any of these suppliers operate in sectors where EESG impacts are likely. Our direct suppliers work in categories where the risk of modern slavery in relation to aspects such as human trafficking, child or forced labour or bonded servitude is likely to be considered low by relevant authorities.

In FY23 we will be implementing a Supplier Code of Conduct and will conduct an audit of our major suppliers in FY24 against our Supplier Code of Conduct. We support the efforts being made to address the risk of modern slavery in corporate supply chains.



### Employees

We have a range of policies that define our people management practices and guide our employees on behaviours we expect from them. Our core values of accountability, excellence, respect, and collaboration underpin our workplace culture and how we interact with our stakeholders. We have in place a 'Speak Up' policy that provides a safe and confidential means for our employees to raise or seek advice on any issues of concern.

This past year, we continued to encourage our people to engage with and understand First Nations cultures. We maintained our mandatory cultural awareness training for all employees and our board. We also continued to acknowledge Traditional Owners at our meetings and events.

In FY23, we will report on employee diversity relating to a number of characteristics.



At this early stage of our sustainability reporting, we are realistic as to our capabilities and prepared to commit to escalating our EESG accountability.

In relation to remuneration, our employees are paid on a 'fair pay' basis, in line with best industry practice awards.

We support employees with human resources policies and practices relevant to ensuring equality, preventing discrimination, and providing parental leave, equal opportunity, strong standards of wellbeing, professional development and overall health. Our employees' input on our employee practices and engagement is important to us, as a gauge of how well we are performing in meeting their needs and expectations.

We also provided all our employees with volunteer leave, so that they can support a charitable or community initiative of their choice.

For FY23, we will continue to roll out employee initiatives that promote outcomes and behaviour that are consistent with our values, and that reflect the value we place on our employees, their wellbeing, and their professional development. We will also report on employee satisfaction.

We would welcome member feedback on our sustainability efforts and strategy. Please email us at: [information@aicd.com.au](mailto:information@aicd.com.au)

# Expecting the unexpected



## Meet a member

**Rick Crabb FAICD**  
Chair Leo Lithium Limited

Rick Crabb FAICD, chair of Leo Lithium Limited and AICD WA Gold Medal Award winner, has spent enough time on the resources roller-coaster to know that nothing gets you out of trouble quicker than a fully engaged board.

Over the past 30 years, I've been involved as a director on a number of public companies that grew from start-ups to revenue generators — mostly in the resource industry, but also in property. One of those companies was Paladin Energy, where I spent 25 years, mostly as chair. Changing circumstances meant I remained a director longer than anticipated, but I'm privileged to have experienced a company's entire progression in one of the most complex of commodities, uranium. It has given me a long view of the business and although I'm no longer involved, it's fascinating that Paladin, like other uranium operators, now has a new lease of life. In the early 1990s, the company was floated as a gold and copper explorer, but then morphed into a uranium miner with two African operations, selling uranium for power generation in the US, Asia and Europe.

The Fukushima Daiichi nuclear disaster in 2011, triggered by the tsunami, had a severe impact on the entire industry, which is only now showing signs of growing as expected. The impact on the uranium price was not immediate, reflecting the complex nature of this market. It was not until 2017 that we finally had to call in administrators to complete the restructure we'd been working on. I remained as chair, retiring in 2019. During those challenging years, I was constantly reminded that nothing remains

static — and it forces you as a director to move swiftly as circumstances change. The need for a cohesive and actively engaged board during such times is critical.

The most invigorating part has been seeing companies [progress] through their entire development, growth and success. The board's work has to be dynamic as the company progresses. You watch as it consolidates its shareholder base and becomes more institutional in character, which brings increased compliance and reporting requirements I consider positive.

A director, at least in the space I occupy, should have "skin in the game". As with past companies, I invested pre-IPO in Eagle Mountain Mining, but not enough for it to affect my independence as a non-executive chair.

It's important that you are — and are seen to be — joined with employees, shareholders and other stakeholders. Of course, people can make their own decisions, and it's an area that's often debated, but I wouldn't go onto the board of a company if I didn't feel I would invest in it. Receiving a director's fee is not enough for the time, effort and risk involved.



## I've learned to appreciate the benefit of a strong board with people prepared to roll up their sleeves and speak up."

Australian companies generally work on a base of good, solid governance principles, and I've never believed the rules and regulations have been too arduous or too complex to work with. What has changed — for the good — are the expectations around reporting. In the past, we weren't expected to capture and document many of the oversight processes the way we're required to now. Many of those governance processes — such as risk management and remuneration structure — were covered in an ad hoc fashion, at least in the smaller listed companies.

Dealing with incentive remuneration structures has been one of the most challenging issues for directors. You must balance what you do for staff versus investor expectations. Investors

tend to think only from their position but, as a director, you need to consider different stakeholders and, more often than not, the staff themselves are sceptical of the benefits.

If incentives are a function of the share price, then so many market forces are at play. Often, it's the case that by the time options, for example, are vested, circumstances have changed. Taxation rules have also had a habit of chopping and changing. If the formula works out, they tend to say you've been overly generous; if it doesn't, it's seen as a waste of time. Employee benefits are extremely delicate and nobody gets it right all the time. Varying incentive structures to suit changing investor expectations or tax rules tends to increase the scepticism of employees.

With the increased focus on reporting on governance, I've learned that more effort needs to be made to ensure a board's attention is properly directed to strategy. Some organisations have been overwhelmed by the increased compliance regime, which often results in extra staff costs and an increased amount of board time [being taken up].

The most rewarding aspect of director involvement is contributing to strategy. A fulsome debate on strategy over a few time horizons brings out many issues that circle back to elements of good governance.

Every company will have to deal with some form of disruption. At Paladin, ours was Fukushima. It shouldn't have happened but, in the end, the only real question was whether Paladin was sufficiently financially viable to deal with the longer-term impact. I foresee many companies having to deal with a lot more black swan events such as this. COVID-19, of course, was one. Pandemics will no longer be regarded as black swans, but others will emerge. We have to be ready for the unexpected.

I've had to deal with many challenging and distressing situations as a director — such as financial distress involving hundreds of millions of dollars — but the worst has been employee deaths in mine accidents and a plane crash. I've learned to appreciate the benefit of a strong board with people prepared to roll up their sleeves and speak up.

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Read the full story in the December 2021 issue of *Company Director* magazine — [aicd.com.au](http://aicd.com.au)

# Education

## About

Building the capability of a community of leaders for the benefit of society starts with a strong bedrock of education.

The AICD's world-class courses are informed by and facilitated by experienced directors, with contemporary case studies on real-world challenges.

Our students bring a wealth of diverse experiences and vantage points – ASX chairs, first-time not-for-profit directors and start-up founders alike. The richness of debate, discussion and reflection among our course cohorts is only exceeded by fullness of our members' commitment to use their learnings to strengthen society.

Our flagship *Company Directors Course* is the pre-eminent program for new and practising directors to understand their duties and responsibilities, lift their performance and add value to their boards and organisations.

Those who successfully pass the rigorous *Company Directors Course* assessment are recognised with the highly regarded GAICD post nominal.

We also offer:

- *Foundations of Directorship* – for those beginning their governance journey.
- *Boardroom Mastery* – for highly experienced directors looking to challenge themselves and extend beyond their comfort zone.
- A range of specialised learning options – for directors who want to sharpen their understanding and practice on specific competencies.

## Outcomes

In FY22, the AICD's Education team delivered world-class governance education courses to more than 13,000 participants, including online versions of the *Company Directors Course* and *Foundations of Directorship*. We provided a complimentary *Ethics in the Boardroom* elearning program for members, with enrolment of more than 9,000 members.

We also hosted webinars on topics of critical interest to our members, including digital capability, cyber security, ESG and climate governance, and organisational sustainability, resulting in 36,633 webinar registrations.

The AICD funded 186 NFP scholarships for participants to complete the *Governance Foundations for NFP Directors* program and, in partnership with the Observership Program, we trained 175 young observers on NFP boards.

We also delivered 54 scholarships for regional and remote women through the Federal Government Women's Leadership and Development Program, and partnered with the Australian Network on Disability to launch a pilot Disability Leadership Program: a three-year initiative funded by a private philanthropic foundation.



# Governance & Policy Leadership

## Leadership priorities



Regulatory reform priorities



Climate governance



Directors' duties



Workplace sexual harassment



Director insights



Board diversity

## Regulatory reform progress

The AICD engaged widely on policy issues impacting boards and directors. We made good progress on our top-level FY22 policy priorities:

- **Modern, fit for purpose corporate law:** with virtual AGMs and e-communication laws legislated, and close engagement on director ID roll-out
- **Balanced director liability settings:** significant reform, strongly advocated by the AICD, on continuous disclosure laws (re-introducing a fault component)
- **NFP law that supports good governance:** disallowance of unlawful activity regulations, and progress on NFP fundraising reform nationwide (with more to do)
- **Sustainability reporting settings that are clear, consistent and reflect stakeholder needs:** launch of CGI Australia and focus on ISSB and domestic standards development.

The AICD's policy focus is supported by engagement with government and stakeholders, as well as input and expertise from our policy advisory committees.

## Leadership as our purpose

The AICD seeks to drive positive change in governance policy and practice.

This includes dealing with the many laws and regulations relevant to boards and directors, where we aim to build understanding, contribute constructively, and be guided by good governance outcomes.

The AICD also supports directors and boards on emerging and complex contemporary governance practice issues.

During FY22, at the request of the board, we changed the name of our "advocacy" function to **Governance & Policy Leadership** to better reflect the board's strategy and team's broader role.

Policy and advocacy remain core to the AICD, and our policy expertise drives our engagement on contemporary practice.



## Climate governance

During FY22 the AICD, with partners Pollination, MinterEllison, Herbert Smith Freehills, Deloitte and PwC, launched the Australian chapter of the Climate Governance Initiative.

CGI International is a global network of bodies that promote the World Economic Forum Climate Governance Principles for boards and effective climate governance within their jurisdictions.

CGI Australia aims to support directors with strategies for embedding climate considerations into boards' strategic decision-making. An Australian Steering Committee and Director Advisory Committee support the initiative.

CGI Australia has released new resources, including a *Climate Risk Governance Guide* and *Director Insights* study, as well as briefings and events.

The AICD hosted Australia's inaugural Climate Governance Forum on 1 August 2022, with over 1,300 participants.

## Directors' duties

In July 2022, the AICD released important new resources on the duty of directors to act in good faith, in the best interests of the corporation.

In recent years, there has been debate about whether the 'best interests' duty reflects community expectations on stakeholder impacts, and longer-term value creation.

The AICD commissioned a new legal opinion from Bret Walker AO SC and Gerald Ng MAICD on this core duty. An AICD Practice Statement spells out practical considerations for Australian directors.

Directors have a duty to act in good faith and the best interests of the corporation.

- Directors have considerable discretion to identify the best interests of the company, taking into account relevant facts and circumstances
- While shareholders'/members' interests are central, directors can, and should, also consider a range of stakeholder interests. Doing so is often necessary to protect an organisation's reputation and ensure its sustainability
- As a guiding principle, directors should take a long-term view of where the company's interests lie.

## Workplace sexual harassment

During the past year, the AICD has continued to focus on the board's role in preventing and responding to workplace sexual harassment featuring in webinars, the Australian Governance Summit, and forums.



As a guiding principle, directors should take a long-term view of where the company's interests lie.”

In FY22 the AICD released a detailed “director roadmap”, developed with Clayton Utz, to supplement its Director Tool and Governance Snapshots. Questions for boards and guidance on process and data are included.

#### Director insights

Engagement and research is an important feature of policy and practice work.

- The AICD’s Director Sentiment Index provides a temperature check of

director views. Cyber security risks, climate governance and COVID recovery dominated FY22 results.

- The *12th annual Not-for-Profit Governance and Performance Study* focused on director views on pandemic recovery and crisis lessons.
- Other projects included a national survey of director attitudes on climate governance, and a joint project with the Australian Information Security Association to benchmark current board practice and gaps in cyber security.
- The AICD’s chief economist continued to provide regular updates on the changing economic environment, and the highly successful *The Dismal Science* podcast.

#### Board diversity

The AICD’s final quarterly *Board Gender Diversity Report* for FY22 showed the proportion of women directors on ASX 200 and ASX 300 boards reaching an all-time high.

The AICD commenced the seventh cohort of its flagship Chair’s Mentoring Program, pairing women directors with senior ASX 200 director mentors.

During the year, Australia’s strong progress on board gender diversity was reviewed by a University of Queensland study *Towards Board Gender Parity*. This study highlighted the contribution of many groups to positive momentum, including the AICD’s Chair’s Mentoring Program.





# Membership

Membership provides lifelong learning for directors to improve their performance, understand their duties and responsibilities, improve the performance of their boards, and belong to a community committed to world-class governance.

Members connect with each other in person and online through our courses, events, webinars and at our business centres and member lounges located in Sydney, Melbourne, Brisbane, Adelaide, Perth, Canberra, and Hobart.

Our large and diverse membership of more than 49,000 represents the geographic and economic breadth of Australian society and beyond.

Through the practice of effective governance, our members contribute to a stronger, fairer, and more sustainable future.

- Our members are on 193 of the nation's ASX 200 companies
- We are the leading home for NFP directors, who comprise 21 per cent of our membership
- The private sector is represented by 44 per cent of our membership, reflecting the base of the Australian economy
- Many of our members are directors of public organisations delivering fundamental services for government across a range of industries.

## Outcomes

We achieved a 6.1 per cent net growth in membership to 49,456 members (FY21: 46,608).

We provided high-quality governance insights for members via the *Company Director* magazine, membership updates and director tools and resources.

The total number of attendees at events and conferences throughout the year was 26,048 (FY21: 15,154). Attendance at the AICD's annual Australian Governance Summit held in Melbourne in March 2022 was 1,501 (FY21: 1,114 Sydney), including 653 virtual attendees (FY21: 688). We delivered the complimentary Essential Director Update event (online and in person), to more than 8,200 members across Australia.

During the COVID-19 crisis, updates from our chief economist supported members in their planning and decision-making in the face of economic uncertainty. We also provided timely, targeted updates on pandemic impacts, and ongoing advocacy on regulatory issues related to the effects of the pandemic on governance practices. We scheduled additional courses for learners whose courses were cancelled due to lockdowns, and moved courses to larger venues to facilitate physical distancing.





Our large and diverse membership of more than 49,000 represents the breadth of Australian society and beyond.”





# Making my voice heard



## Meet a member

**Cherrell Hirst AO FAICDLife**  
Chair Factor Therapeutics

An AICD Gold Medal winner in 2015, Dr Cherrell Hirst AO FAICDLife received an AICD Life fellowship at the Australian Governance Summit in March in recognition of what she calls her “encore career”.

I studied medicine on a Commonwealth Scholarship back in the 1960s. Twenty years later, I studied education to understand how knowledge influences adult behaviour. I’ve been passionate about the benefits of education at every stage of life and that saw me involved in that sector alongside my role in health services during my executive career.

I was in the leadership of the Wesley Breast Clinic (1982–2001) from its outset and a director for 17 years. It was at the forefront of mammographic screening in Australia and I developed a high community profile. In 1990, that led to an invitation to join the council of the Queensland University of Technology (QUT). I was flattered, but unnerved, because it would be a steep learning curve. I knew about health, but I had a lot to learn about the university sector and governance. I was elected to the board of Brisbane Girls Grammar that same year.

In a couple of my board roles, I’ve felt I haven’t been listened to. I might have asked a question or made a point and it got a quick, maybe even dismissive response. Quite often, later in the board meeting another director would pick up that same point and it would turn into a big discussion. I thought, ‘That’s the point I made half an hour ago and nobody took any notice. Why?’

This highlighted to me the importance of the way you talk around the board table. Not just asking questions or seeking explanations, which often doesn’t lead anywhere or generate change. How a topic is approached or a matter raised is as important as the content. Most boards now recognise the importance of seeking diversity, but getting more women, younger people, people with disabilities, Indigenous people, or those from non-English-speaking backgrounds may not make any difference if the boardroom culture isn’t respectful. The challenge is not only to have those people around the table, but to have their views listened to. It’s every director’s responsibility to cultivate a culture of respect and trust. The chair can make a big difference to the way conversations happen.

Discussion and debate often lead to improved solutions and build a sense of teamwork around the table. No director should be afraid to participate or disagree. Discussion can be closed down prematurely by even one confident or dominating director, and it may be necessary to intervene by disagreeing. Deep content knowledge is important, but it’s not enough. Directors who aren’t expert in the sector may feel too intimidated to ask a question, yet just having a different perspective expressed might shed useful light on the detail.



Most boards now recognise the importance of seeking diversity, but getting more women, younger people, people with disabilities, Indigenous people, or those from non-English-speaking backgrounds may not make any difference if the boardroom culture isn't respectful."



I've learned to be mindful of the end game or strategic impact, even when discussing detail. There are times when it is important to dig into the detail, but it is important not to get bogged down or distracted by it. The board must have a comprehensive understanding of the policies, processes and systems — and there needs to be a thorough monitoring process to know policies and processes are being executed as required. This allows the board to focus on the broader strategic issues and the end game.

Being a director is a lonely business. You can't talk to your family or friends — no-one can help you except someone who understands the situation. That's why I'm part of a small group with three other directors. We meet intermittently to share experiences and develop our understanding of changing aspects of governance, risk, strategy and technology. The group evolved naturally. We became friends, then realised that as we trusted each other

absolutely, we could talk confidentially about managing board situations. It boosts confidence, generates ideas and may support the conviction to stand up if things are tough around the boardroom table.

When I was invited to join the Bolton Clarke board seven years ago, I hesitated because of my age. I talked it through with the group and they encouraged me not to decline on that basis alone. A board should reflect the constituency of the business — which perhaps means that older age is acceptable in an aged-care board! My work with Bolton Clarke is challenging but rewarding — the sector has been through the Royal Commission and COVID-19, but the CEO and executive team have managed those difficult times well.

One of the first tips I'd give to aspiring directors is to consider whether a non-executive career is truly for you. As a CEO or executive, you're calling the shots — and some people are much better suited to hands-on doing.

My 32 years of board experience has been enormously rewarding overall. I have learned through success and failure to work with my fellow directors to make the best decisions at the time. I've always seen it as incredibly important to identify and encourage the most capable and fit-for-purpose directors and executives to join the team, knowing that the strength of the collective is fundamental. As I come to the end of my board career, my one desire is to know that at some times, in some ways and for some people, I have made a difference.

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Read the full story in the May 2022 issue of *Company Director* magazine – [aicd.com.au](http://aicd.com.au)

# Reconciliation update

Following the completion of AICD's first Reconciliation Action Plan (RAP) in 2019 the AICD engaged Indigenous Consulting firm IPS Management to conduct a review of the RAP and our progress against it.

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The report reflected the progress we had made since our first RAP including lifting the profile and recognition of First Nations directors and reconciliation with members, expanding our policy voice to the CATSI Act, introducing consistent cultural protocols and engaging and training our staff.

However, the review also highlighted areas where the organisation had fallen short of its aspirations, in some instances by a significant margin. These areas included AICD's employment and procurement strategies, and in building impactful partnerships with First Nations stakeholders. In addition, when COVID hit, RAP deliverables and renewal was not prioritised.

With the organisation beginning its recovery from COVID impacts last financial year, it provided us the time and resources to consider our role in reconciliation and commence the process of building our next Innovate RAP. Central to this process was asking ourselves difficult questions and having challenging conversations on where our first RAP fell short.

Critical to this process was more meaningful discussions with First Nations stakeholders, including division councillors, senior directors and leading organisations.

For the first time the AICD sent a delegation to the Garma festival in Arnhem Land in July 2022. The festival provided an opportunity for the AICD to gain a better understanding of the pressing issues facing Australia while also undertaking cultural immersion activities. With education a central theme of this year's festival it left the delegation with little doubt that the AICD has a place at Garma for the foreseeable future.

A significant milestone in AICD's increasing maturity on First Nations issues was the appointment of our First Nations Sector Leader, Justin Agale in January 2022. Justin's role is to lift the AICD's connections with First Nations directors and leaders, as well as growing awareness of First Nations concepts of governance.





With education a central theme of this year's festival it left the delegation with little doubt that the AICD has a place at Garma for the foreseeable future.



The Board endorsed IPS Management's recommendations in November 2021 and committed the AICD to advancing reconciliation as an organisational, and national governance, priority. The AICD Chair was appointed RAP co-champion, with the MD & CEO, to support AICD's focus and commitment.

Work has begun on the AICD's next innovate RAP with three driving principles:

1. A strong and continuing First Nations voice in development and governance
2. Improved internal governance and accountability
3. Impact in the AICD's sphere of influence.

A key learning from the Garma festival was hearing directly from leaders who live and work in two worlds, navigating traditional and Western frameworks of learning and governance. A key element of the AICD's second RAP will be the pursuit of greater two-way learning with the First Nations world.

# Financial sustainability

**FY2022 was another challenging year for the AICD, with ongoing COVID-19 lockdowns and restrictions limiting our ability to offer face-to-face education and events.**

Since the commencement of the COVID-19 pandemic in March 2020 the AICD's operations have been significantly disrupted, resulting in the cancellation of courses and events, and closure of member lounges. Resultantly, the AICD's overall deficit for the financial year ended 30 June 2022 was \$5.2m (FY21: surplus \$0.9m). The operating result (excluding investment losses) for the year was a deficit of \$3.2m (FY21: \$3.5m deficit).

In 2022, the AICD budgeted for revenue of \$90m and an operating surplus of \$0.7m. However, due to ongoing lockdowns and various restrictions across Australia during the financial year, the AICD's ability to deliver face-to-face courses and events was curtailed, resulting in a decrease in revenue of approximately nine per cent from the projected

level. During this financial year, to ensure quality member services were maintained, the AICD retained its employee base without the support of government subsidies and continued to deliver projects to improve member experience, such as the implementation of a new website. Finance losses from investments were \$2m for the financial year (FY21: income \$4.4m) due to global volatility in the equities markets and adverse economic conditions. This had a significant impact on the AICD's overall deficit.

Net membership growth of 6.1 per cent was achieved in FY22 compared with 2.6 per cent in FY21, highlighting the strength of the AICD brand and the value proposition to members.

AICD cash and investments included deferred revenue from membership fees and prepaid courses and events of \$40m (FY21: \$36m). Members' funds decreased from \$28m to \$23m during the financial year because of the overall deficit incurred.

The AICD has a reserves policy that provides a framework to set aside sufficient financial reserves in order to: protect and safeguard assets; meet liabilities as they fall due; provide resilience and capacity to manage unforeseen financial difficulties; and deliver against the

strategic mission and aspirations. At 30 June 2022, the reserves ratio (member funds as a percentage of operating expenses) was 27 per cent (FY21: 37 per cent), which complies with our reserves policy.

As society adapts to living with COVID-19, its impact on future operations has been factored into the AICD's budget for the 2023 financial year. Notwithstanding this and based on current estimates, the AICD anticipates its financial position and performance will improve in the 2023 financial year.

The following key financial statements and report are extracted from the Australian Institute of Company Directors' Financial Report for the year ended 30 June 2022:

- **Statement of Profit or Loss and Other Comprehensive Income**
- **Statement of Financial Position**
- **Statement of Changes in Equity**
- **Statement of Cash Flows**
- **Independent Auditor's Report**

Refer to the full version of the Financial Report for the year ended 30 June 2022 at: [aicd.com.au](http://aicd.com.au)

The notes are an integral part of these financial statements.

# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022	Note	2022 \$'000	2021 \$'000
Operating revenue	4a	81,336	69,304
Other income	4b	753	3,068
<b>Total revenue and other income</b>		<b>82,089</b>	<b>72,372</b>
<b>Expenses</b>			
Employee benefits and staff related expense	5a	(41,205)	(34,451)
Program expenses	5b	(13,654)	(12,629)
Depreciation and amortisation expense	5c	(11,167)	(11,626)
Technology expense		(4,570)	(4,273)
Professional services expense		(7,248)	(7,271)
Other expenses		(6,621)	(4,237)
<b>Total expenses</b>		<b>(84,465)</b>	<b>(74,487)</b>
<b>Operating (deficit)/surplus</b>		<b>(2,376)</b>	<b>(2,115)</b>
Finance income	7	1,833	4,414
Finance cost	7	(4,695)	(1,366)
<b>Net finance costs</b>		<b>(2,862)</b>	<b>3,048</b>
<b>(Deficit)/Surplus for the year</b>		<b>(5,238)</b>	<b>933</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(5,238)</b>	<b>933</b>

The Notes are an integral part of these financial statements.

# Statement of Financial Position

As at 30 June 2022	Note	2022 \$'000	2021 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8(a)	24,226	24,537
Trade and other receivables	9	1,470	1,167
Prepayments		2,253	2,194
<b>Total current assets</b>		<b>27,949</b>	<b>27,898</b>
<b>Non-current assets</b>			
Plant and equipment	10	9,228	13,200
Right-of-use assets	14	17,442	20,732
Intangible assets	11	7,877	7,341
Financial assets	12	39,356	41,437
<b>Total non-current assets</b>		<b>73,903</b>	<b>82,710</b>
<b>Total assets</b>		<b>101,852</b>	<b>110,608</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		5,510	6,732
Employee benefits provisions	6	4,036	3,566
Lease liability		7,375	8,955
Other provisions		2,038	1,362
Deferred revenue	13	40,328	36,033
<b>Total current liabilities</b>		<b>59,287</b>	<b>56,648</b>
<b>Non-current liabilities</b>			
Employee benefits provisions	6	252	575
Lease liability		17,415	22,957
Other provisions		1,910	2,202
<b>Total non-current liabilities</b>		<b>19,577</b>	<b>25,734</b>
<b>Total liabilities</b>		<b>78,864</b>	<b>82,382</b>
<b>Net assets</b>		<b>22,988</b>	<b>28,226</b>
<b>Members' funds</b>			
Retained surpluses		22,988	28,226
<b>Total members' funds</b>		<b>22,988</b>	<b>28,226</b>

The Notes are an integral part of these financial statements.



# Statement of Changes in Equity

For the year ended 30 June 2022	Note	2022 \$'000	2021 \$'000
Opening members' funds		28,226	27,293
Total comprehensive (loss)/income for the year		(5,238)	933
<b>Members' funds</b>		<b>22,988</b>	<b>28,226</b>

# Statement of Cash Flows

For the year ended 30 June 2022	Note	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers and sponsors		89,969	87,840
Payments to suppliers and employees		(76,668)	(60,764)
<b>Net cash flows from operating activities</b>	8(b)	<b>13,301</b>	<b>27,076</b>
<b>Cash flows from investing activities</b>			
Interest received		32	22
Distribution received		1,717	2,083
Franking credits received		74	83
Purchase of other financial assets		(1,717)	(8,084)
Payment for plant and equipment		(656)	(588)
Payment for intangible assets		(2,582)	(1,557)
<b>Net cash flows used in investing activities</b>		<b>(3,132)</b>	<b>(8,041)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(898)	(1,366)
Payment of lease liabilities		(9,592)	(7,550)
<b>Net cash flows from financing activities</b>		<b>(10,490)</b>	<b>(8,916)</b>
Net (decrease)/increase in cash and cash equivalents		(321)	10,119
Cash and cash equivalents at the beginning of the period		24,537	14,452
Effect of exchange rate fluctuations on cash held		10	(34)
<b>Cash and cash equivalents at the end of the period</b>	8(a)	<b>24,226</b>	<b>24,537</b>

The Notes are an integral part of these financial statements.



## Independent Auditor's Report

To the members of Australian Institute of Company Directors

### Opinion

We have audited the **Financial Report**, of the Australian Institute of Company Directors (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2022, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013 (ACNCR)*

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2022;
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- iii. Notes including a summary of significant accounting policies; and
- iv. Directors' declaration.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



## Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Revenue Recognition (\$81,336,000)	
Refer to Note 4a to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The Company has two main revenue streams, each with distinct recognition requirements dependent on the terms of the underlying contracts.</p> <ul style="list-style-type: none"> <li>Education, Events and Conferences require the revenue be recognised as the associated performance obligations are satisfied, primarily at the point in time when the service is provided. This requires greater judgement of when the performance obligation is satisfied when a course or event is rescheduled.</li> <li>Membership requires the revenue be recognised over time, being the period of membership. There is a large volume of transactions increasing the risk of revenue being recognised in the incorrect period.</li> </ul> <p>The Company receives payments in advance for certain performance obligations which is before the revenue is able to be recognised, resulting in the deferral of this revenue.</p> <p>The recognition of revenue and related deferred revenue is considered to be a key audit matter due to the quantum of revenue and deferred revenue recognised combined with the large volume of transactions and the diverse revenue streams. We focused on assessing revenue recognised by the Company in accordance with the accounting standards and the terms and conditions of which membership is offered. This necessitated significant audit effort to evaluate the revenue recognised for the transactions, and the related disclosure.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>We obtained an understanding of the nature of the various revenue streams and the related revenue recording processes, systems and controls;</li> <li>For each revenue stream, we assessed the Company's revenue recognition accounting policies compliance with applicable accounting standards;</li> <li>We selected a sample of revenue transactions and assessed the timing of revenue recognition based on completed performance obligations and the Company's revenue recognition policy against underlying documentation such as external evidence detailing the related dates of an event, and checking the approved fees and period of membership in order to assess recognition of membership revenue in the current period;</li> <li>We selected a sample of deferred revenue transactions at year-end and assessed the amount deferred based on payments received in advance, completed performance obligations at balance date and the Company's revenue recognition policy. This was performed by comparing the underlying documentation against the Company's revenue recognition policy;</li> <li>We assessed the disclosures included in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.</li> </ul>



## Other information

Other Information is financial and non-financial information in Australian Institute of Company Director's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC and ACNCR.
- ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iii. Assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit.





We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Company's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Financial Report of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Jessica Davis

Partner

Sydney

2 September 2022

# Board Advance

The AICD continued to demonstrate its commitment to improving board governance skills and standards, delivering Board Advance services.

The AICD has an important role to play uplifting the capability of boards through in-house education, governance assessments and governance reviews.

In July 2022, we launched a new sub-brand called Board Advance to further our ambition in this area.

We have been operating in the business-to-business market for more than a decade. While this had been successful, our research indicated that the full range of these services was not well understood.

Board Advance was developed to unite our existing products and services under a single banner focused on unlocking better board performance. It specialises in providing organisations with the understanding, insight and guidance in two critical areas: performance assessment and governance development.

## Performance assessment

By implementing a comprehensive assessment process that utilises proprietary diagnostic tools and meaningful dialogue, Board Advance can accurately chart your board's performance against modern benchmarks of best-practice governance.

Specialist AICD facilitators and subject-matter experts work with the Board Advance team to assess the board's strengths and weaknesses, and tailor development programs to deliver growth, governance excellence and strategic strength.

## Governance development

Board Advance offers boards and senior executive teams the opportunity to undertake our world-class governance education in-house, as a team, facilitated by practising directors and tailored to your organisation and operating context.

Targeted insights on emerging governance topics and ongoing assessment allow the company, board members and senior executives to measure improvement.

In FY22, COVID-19 restrictions limited face-to-face assessment and training opportunities. However, we had already developed world-class digital education alternatives that were suitable for participants working remotely.

# Members of division councils

## Australian Capital Territory

Anne-Marie Perret FAICD *President*  
 Linda Addison FAICD\*  
 Jennifer Bennett FAICD  
 Ilea Buffier FAICD  
 David Carr FAICD  
 Russell Eade FAICD  
 Zoe Piper FAICD  
 Dr Michael Schaper FAICD  
 Kate Waterford FAICD  
 Liesel Wett FAICD\*  
 Christine Williams FAICD

## New South Wales

Louise McElvogue FAICD *Acting President* (from 16.06.2022)  
 Dr Katherine Woodthorpe AO FAICD *President* (to 16.06.2022)\*  
 Peter Achterstraat AM FAICD\*  
 Michael Coleman FAICD  
 Dr Sue Craig FAICD  
 Dr Diana Day FAICD  
 Nigel Hennessy FAICD\*  
 Prof Jenny Martin FAICD  
 Naseema Sparks AM FAICD\*  
 Arlene Tansey FAICD^

## Queensland

Teresa Handicott FAICD *President* (from 01.01.2022)  
 Anne Cross AM FAICD *President* (to 31.12.2021)  
 Annabelle Chaplain AM FAICD

Jane Crombie FAICD  
 Ian Dover FAICD ^  
 Susan Forrester AM FAICD  
 Dawson Petie FAICD  
 Cindy Shannon AM FAICD  
 Luckbir Singh FAICD  
 Greg Tanzer FAICD\*  
 Paul Woosley MAICD

## South Australia/Northern Territory

Susan Neuhaus AM CSC FAICD *President*  
 Fraser Bell FAICD  
 Julie Cooper FAICD  
 Sonya Furey FAICD  
 Richard Giles FAICD  
 Kathy Gramp FAICD\*  
 Alison Kimber FAICD  
 Nicolle Rantanen Reynolds FAICD  
 Steve Rossingh FAICD  
 Adrian Skull FAICD

## Tasmania

Graeme Lynch AM FAICD *President*  
 Hanny Allston FAICD\*  
 James Dryburgh FAICD^  
 Naomi Edwards FAICD  
 Kym Goodes MAICD\*  
 Paul Lupo MAICD  
 Joe Luttrell FAICD  
 Katherine Schaefer PSM FAICD  
 Miles Smith FAICD  
 Dr Katrena Stephenson FAICD  
 Rayne van den Berg FAICD^

## Victoria

Rebecca McGrath FAICD *President*  
 Kathleen Bailey-Lord FAICD  
 Sue Dahn FAICD\*  
 Jenny Dawson FAICD  
 Ian Hamm MAICD^  
 Ben Hubbard FAICD  
 Graeme Liebelt FAICD\*  
 Nihal Shah FAICD  
 Dr Samantha Smith FAICD  
 Chris Thomas FAICD

## Western Australia

Paul Sadleir FAICD *President*  
 Maree Arnason FAICD  
 Helen Cook FAICD  
 Frank Cooper AO FAICD\*  
 David Craig FAICD  
 Jane Cutler FAICD  
 Derek La Ferla FAICD  
 Fiona Payne FAICD  
 Gillian Swaby FAICD  
 Andrew Thompson FAICD  
 Sue Wilson FAICD^

Membership information is accurate as at  
 30 June 2022

^ Began during year

\* Resigned/retired during or at end of year

# Advisory committees

## APRA Forum

### Chair

John Green FAICD

### Members

Nigel Ampherlaw MAICD\*  
 Angus Armour FAICD~  
 David Armstrong MAICD  
 Geoff Austin MAICD  
 Paul Bedrock FAICD\*  
 Duncan Boyle FAICD\*  
 Geoff Brundson FAICD  
 Steve Crane FAICD\*  
 Judith Downes FAICD  
 Paula Dwyer FAICD  
 Paul Gallagher FAICD  
 Belinda Gibson FAICD  
 David Gordon MAICD  
 Brian Greig FAICD  
 Peeyush Gupta AM FAICD  
 Sally Herman FAICD  
 Annette King FAICD^  
 Peter Marriott MAICD  
 Trevor Matthews FAICD  
 Gai McGrath FAICD  
 Bronwyn Morris FAICD\*  
 Anne O'Donnell FAICD\*  
 Maree O'Halloran FAICD^  
 Louise Petschler FAICD~  
 Nicolette Rubinsztajn FAICD^  
 John Shewan CMInstD NZ  
 Jann Skinner FAICD  
 David Thorpe FAICD\*  
 Peter Warne FAICD  
 Duncan West FAICD\*  
 Robert Whitfield AM FAICD  
 Noeline Woof FAICD^

David McElrea, Senior Policy Adviser\*  
 Secretary

## ASX Chairs' Forum

### Chair

Lindsay Maxsted FAICD

### Members

Angus Armour FAICD~  
 John Atkin FAICD~  
 John Bevan MAICD  
 Peter Botten AC, CBE MAICD  
 Malcolm Broomhead AO FAICD  
 Elizabeth Bryan AM FAICD  
 Gordon Cairns  
 Michael Chaney AO FAICD  
 Philip Chronican FAICD  
 Prof Mark Compton AM FAICD  
 Alison Deans FAICD^  
 Paula Dwyer FAICD  
 David Gonski AC FAICDLife  
 Richard Goyder AO FAICD  
 James Graham AM FAICD^  
 Peter Hay FAICD  
 Debra Hazelton FAICD  
 Rick Holliday-Smith FAICD  
 Stephen Johns FAICD  
 Richard Lee AM FAICD  
 Graeme Liebelt FAICD  
 Catherine Livingstone AO FAICD  
 Ken MacKenzie FAICD  
 Vicki McFadden MAICD  
 John McFarlane OBE  
 Christine McLoughlin FAICD  
 Dr Brian McNamee AO  
 John Mulcahy MAICD  
 John Mullen^  
 Paul O'Sullivan MAICD^  
 Paul Rayner FAICD  
 Damien Roche^  
 Brian Schwartz AM FAICD  
 Glenn Stevens AC MAICD^  
 Michael Ullmer AO FAICD  
 Peter Warne FAICD  
 Michael Wilkins AO FAICD^

Christie Rourke, Senior Policy Adviser\*  
 Simon Mitchell, Senior Policy Adviser^  
 Secretary

## Corporate Governance Committee

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Dr Sally Pitkin AO FAICD

### Members

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 Ms Catherine Brenner FAICD  
 Bruce Brook MAICD  
 Steven Cole FAICD  
 Kathleen Conlon FAICD  
 Melinda Conrad FAICD  
 Helen Cook FAICD\*  
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 Naomi Edwards FAICD^  
 John Green FAICD  
 Prof Pamela Hanrahan  
 Peter Hay FAICD\*  
 Ben Hubbard FAICD  
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 Dawson Petie FAICD  
 Louise Petschler FAICD~  
 Dr Dimity Podger  
 Dr Michael Schaper FAICD  
 Andrew Thompson FAICD^  
 Peter Warne FAICD

Laura Bacon, Senior Policy Adviser  
 Secretary

## Governance of Innovation and Technology Panel

### Chair

Kee Wong FAICD

### Members

Dr Bronte Adams AM FAICD  
 Angus Armour FAICD~  
 Kathleen Bailey-Lord FAICD  
 Tony Bates PSM MAICD  
 Jan Begg FAICD  
 Randall Brugeaud MAICD  
 Bill Chang  
 Jonathan Davey FAICD  
 Nicholas Davis  
 Dr Charlie Day FAICD  
 Dr John Diekman

Membership information is accurate as at 30 June 2022

^ Began during year \* Resigned/retired during or at end of year ~ Ex officio members of the committee



Hakan Eriksson FAICD  
 Graham Goldsmith AO FAICD  
 Chris Hancock  
 Dr Michael Hartmann  
 Ben Heap FAICD  
 Robert Hillard  
 Steve Leonard  
 Yasmin Mahmood  
 Louise McElvogue FAICD  
 Louise Petschler FAICD~  
 Mr Tibor Schwartz FAICD  
 Dr Parmjit Singh  
 Gavin Slater FAICD  
 Andrew Stevens MAICD  
 Wendy Stops FAICD  
 Dr Peter C. Wilton  
 Dr Katherine Woodthorpe AO FAICD

Angela Han, Senior Policy Adviser^\*  
 Andrew Heath, Senior Policy Adviser^  
*Secretary*

## Law Committee

### Chair

Priscilla Bryans MAICD

### Members

Dr Bronte Adams AM FAICD  
 Angus Armour FAICD~  
 Dr Robert Austin  
 Tim Bednall FAICD  
 Dr Bill Beerworth\*  
 Fraser Bell FAICD  
 Kate Botten FAICD  
 Caroline Cox MAICD  
 David Craig FAICD\*  
 Ewen Crouch AM FAICD\*  
 Vijay Cugati  
 Shannon Finch MAICD^  
 Tim Gordon  
 Teresa Handicott FAICD  
 Prof Jason Harris  
 Tricia Hobson FAICD  
 Dominique Hogan-Doran SC MAICD  
 Graeme Lynch AM FAICD  
 Kevin McCann AO FAICD^  
 Karen Pedersen  
 Henrietta Rowe MAICD  
 Louise Petschler FAICD~  
 Dr Rosemary Teele Langford

Laura Bacon, Senior Policy Adviser  
*Secretary*

## NFP Chairs' Forum

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Liesel Wett FAICD\*  
 Anne Cross AM FAICD^

### Members

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 Angus Armour FAICD~  
 John Atkin FAICD~  
 Virginia Bourke FAICD^  
 Mark Butcher FAICD\*  
 Phil Butler FAICD~  
 Clare Cannon\*  
 Lisa Chung AM FAICD  
 Kate Corkery MAICD\*  
 Bruce Cowley FAICD  
 Iyla Davies OAM FAICD^  
 Ken Dean FAICD  
 Richard Giles FAICD\*  
 Marina Go MAICD^  
 Diane Grady AO FAICD  
 Ian Hamm MAICD  
 Dr Justin Koonin FAICD  
 Jonathan Lord MAICD\*  
 Paul Masi MAICD  
 Rowena McNally FAICD  
 Prof Elizabeth More AM MAICD  
 Warren Mundine AO\*  
 Susan Pascoe AM FAICD  
 Fiona Payne FAICD  
 Craig Perkins FAICD  
 The Hon. Kerry Sanderson AC FAICD

Christie Rourke, Senior Policy Adviser\*  
 Simon Mitchell, Senior Policy Adviser^  
*Secretary*

## Reporting Committee

### Chair

Michael Coleman FAICD

### Members

Angus Armour FAICD~  
 David Armstrong MAICD  
 Michael Bradburn FAICD  
 Ilea Buffier FAICD  
 Helen Cook FAICD  
 Anna Crawford  
 Sue Dahn FAICD  
 Regina Fikkers  
 Christopher George MAICD  
 Amir Ghandar FAICD

Claire Grayston\*  
 Merilyn Gwan  
 Chris Hall MAICD  
 Jennifer Lambert FAICD  
 Robin Low FAICD  
 Denise McComish MAICD^  
 Martin McGrath  
 Grant Murdoch FAICD  
 Louise Petschler FAICD~  
 Nicolle Rantanen FAICD  
 Jann Skinner FAICD  
 Miles Smith FAICD  
 Ram Subramanian FAICD  
 Andrew Thompson FAICD\*

David McElrea, Senior Policy Adviser\*  
*Secretary*

## National Education Advisory Committee (NEAC)

### Chair

Tracey Horton AO FAICD Chair\*

### Members

Michael Schaper FAICD  
 Jo Fisher FAICD\*  
 Nigel Phair FAICD\*  
 Sarah Jane Kelly FAICD\*  
 Louise McElvogue FAICD  
 David Shortland MAICD  
 Michael Gilding FAICD  
 Rosina Hislop FAICD  
 Rebecca Hall FAICD^  
 Marcele De Sanctis FAICD^  
 Angus Armour FAICD  
*AICD Managing Director & CEO*  
 Marcel Mol FAICD\*  
*AICD General Manager Education*  
 Sandra McDonald FAICD  
*AICD Head Education Delivery, Acting*  
*General Manager Education (16/02/22-*  
*15/04/2022)*  
 Nicole Meehan FAICD  
*AICD Head Education Development,*  
*Acting General Manager Education*  
*(16/04/2022-09/09/2022)*

Membership information is accurate as at 30 June 2022

^ Began during year \* Resigned/retired during or at end of year ~ Ex officio members of the committee



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