

Director Sentiment Index Survey

1st Half 2022

APPENDIX REPORT
Full research results

Australian
Institute of
**Company
Directors**



ROY
MORGAN





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CHAPTER 1

Executive Summary





Executive Summary

Australia's economy is still seen in a strong position by the majority of directors

Over half of directors in this DSI survey (from 24 February–10 March, 2022) still believe Australia's economic health is strong now (57%) and will remain strong in 12 months' time (57%).

Nonetheless, the possible impact of future COVID-19 variants, follow on supply-chain shocks and labour shortages, as well as the war in Ukraine took their toll on directors' 12-month outlook on the strength of the Aussie economy, dropping 10 points between this DSI and the last in Q4 2021, from 67% to 57%.

Perspectives on Europe's economic performance go from bad to worse

The situation is viewed as much worse for Europe, which is directly affected by the knock-on effects of the war in Ukraine and disengagement from Russian commodities. Current sentiment on Europe dropped from 24% to 19% of directors still seeing it in a strong economic position this wave over last. Nearly half (46%) believe Europe will be in a weak position a year from now, the lowest rating of all the major economies surveyed.

China, the outlier, is seen as robust and on the up

The one exception to the general trend in pessimism around global economic growth is China. Directors' views on the Asian giant's growth prospects improved between this wave and last, with 63% seeing China's economy today as strong (up 16%) and 59% thinking it will stay strong over the next year (up 13 points).

National business sentiment still in positive territory

Though the global situation is considered negative, Australian business conditions, as felt by directors surveyed, are considered healthy. One in two directors feel national business conditions are strong and will stay strong in the coming 12 months.

In comparison, only one in five believe they are weak and will stay weak year-on-year.

The story becomes more complex when drilling down to a state-by-state level. NSW had the biggest swing, with confidence that business conditions stay strong over the next 12 months dropping from 73% last DSI to 54% this wave.

Victoria and Queensland also experienced confidence drops in their 12-month outlook on business conditions (5% and 9%, respectively).

Western Australians remain bullish about their state's business prospects, with 78% certain conditions will remain strong next year—a figure unchanged from the last DSI.

Though the overall DSI score fell, it remains cautiously optimistic

The overall DSI score fell 7.1 points from 17.9 to 10.8 this wave. Though showing the strain of the complicated global context businesses are currently operating in, the Index remains cautiously optimistic.

Executive Summary

With a Federal election looming, climate and the economy are top of mind

In this DSI survey directors were asked what top issue in context of their organisation will influence their vote in the next Federal election. The issue that received the most votes from directors was the economy and economic management.

Climate change came in at a close second, with leadership and government integrity coming in at third and fourth, respectively.

Related to this, directors were asked their opinion on what the Federal government's short- and long-term priorities should be. Climate change came in as the top short- and long-term priority, as it did in the previous DSI survey.

Skills shortages was again chosen as the second most important short-term priority, but when taking a long-term perspective, directors this wave chose an ageing population as the second biggest issue over the next 10 years. Last DSI, the second top long-term priority was international competitiveness, which dropped to third place in priority this wave.

A Federal anti-corruption watchdog

With top election issues of leadership and government integrity in mind, directors were asked their opinion about whether a Federal anti-corruption watchdog should be established to oversee government integrity. Almost three in four (72%) replied in the affirmative.

Recruitment and skills shortages persist

Chronic staff shortages remain a hangover from the pandemic border closures, with 60% saying this is the top economic challenge facing Aussie businesses, up 5% from last DSI survey.

The big shift in this DSI survey was global economic uncertainty, which shot up 25 points to 55% as the second biggest economic challenge facing Australian businesses. COVID-19, which had been the second biggest issue facing directors, dropped 16 points to fourth place.

Climate change took third place, with 34% of directors picking it as their main business challenge.

Skilled new directors are hard to find

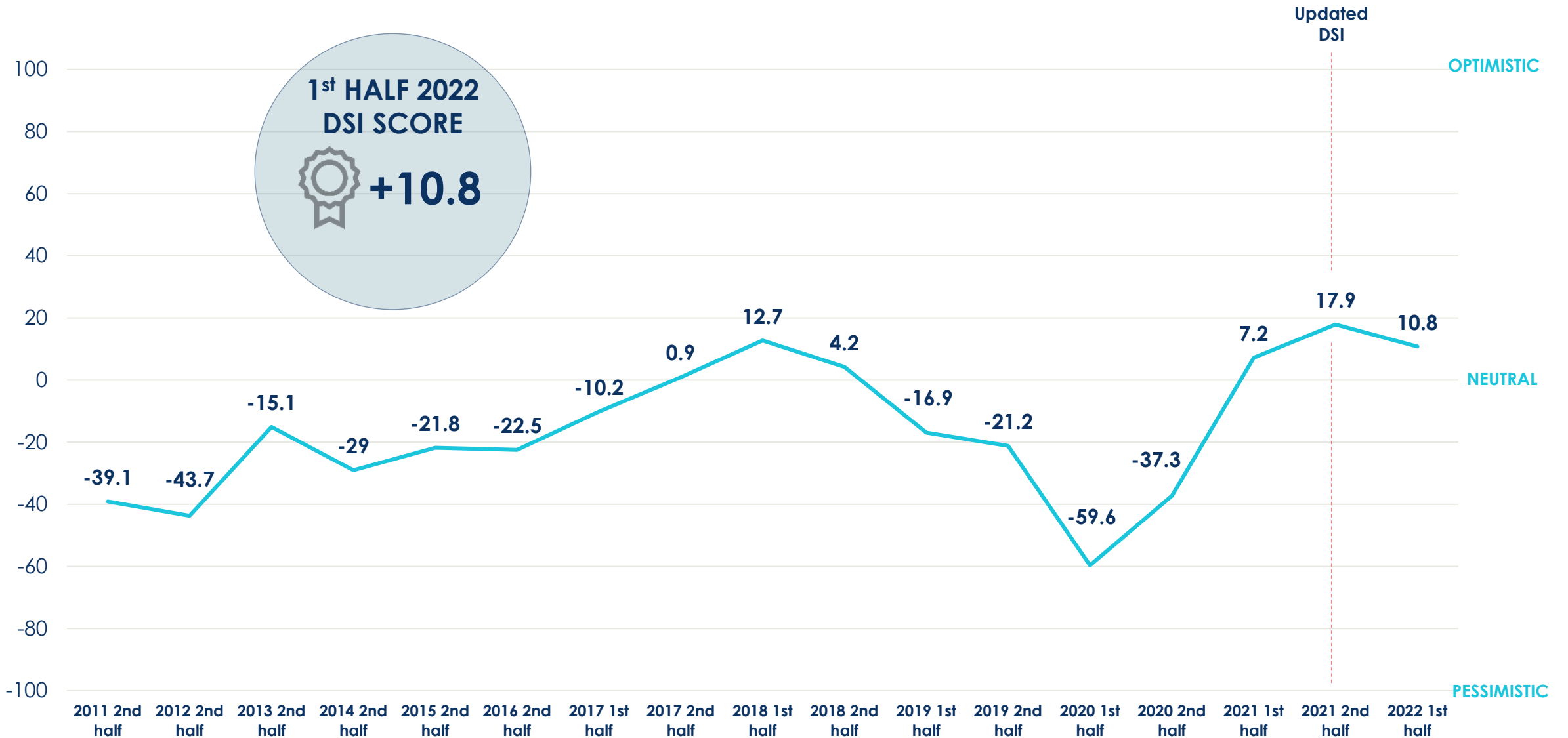
In this DSI survey AICD's members were asked about challenges around finding and hiring new directors. The biggest reported issue was the difficulty in finding candidates with the right skills, with 59% saying this was a problem.

The second most common challenge was finding candidates comfortable with the time commitment expected of directors, with half the directors surveyed saying this was a blocker in recruitment. Third place was the compliance burden that comes with these roles.

Overall, 41% of directors surveyed said their board faced challenges hiring talented new directors, versus 31% who claimed they did not have issues finding qualified candidates to bring onboard.

DIRECTOR SENTIMENT INDEX

Overall Director Sentiment Index 10Y to 1st Half 2022



Base: All respondents N= 1737

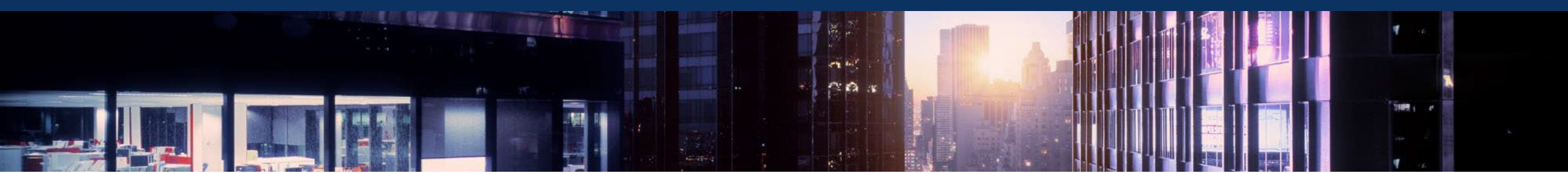
Note: Revised index from 2nd half 2021 onwards is not comparable with previous index scores

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CHAPTER 2

Methodology





What is the DSI?

Quantifying experience and opinion

The Director Sentiment Index (DSI) represents the breadth of Australian Institute of Company Director (AICD) member opinions on a range of issues covering the Australian and global economies, government policy and governance regulations.

The DSI has tracked business and economic attitudes for the past 10 years, indicating shifts in business sentiment, and delivering robust and context-driven insights and trends.

DSI Survey Reports

This Insights Report includes a summary of analysis of key questions from the survey.

A detailed Appendix Report and database with full survey results are also available.

Survey topics

Directors shared opinions on a broad range of topics¹

DSI TOPICS

Economic outlook

- Australian federal and state economies today and in 12 months
- Current global economic assessment and 12-month forecast

Business conditions

- What's it like doing business across Australia and in different industries?
- Are staffing and wage issues running up against profit and turnover?

Structural policy settings

- Is taxation correctly balanced with public spending and investment?

Macro policy settings

- How do fiscal and RBA policies affect business?

Directorship issues

- Governance regulation, directorship liabilities, recruitment and diversity

OTHER TOPICS

Covering topical issues and deep dives

- What challenges obstruct new director recruitment?
- What should be Canberra's short- and long-term priorities?
- What is your key issue as a director?
- Are cyber security, climate change and the labour market principal business considerations?
- What is your organisation's top election issue?
- Are flexible working arrangements impacting productivity, culture or staffing?
- Did the pandemic make your business more or less risk averse?
- What are the most significant regulatory challenges brought on by COVID-19?

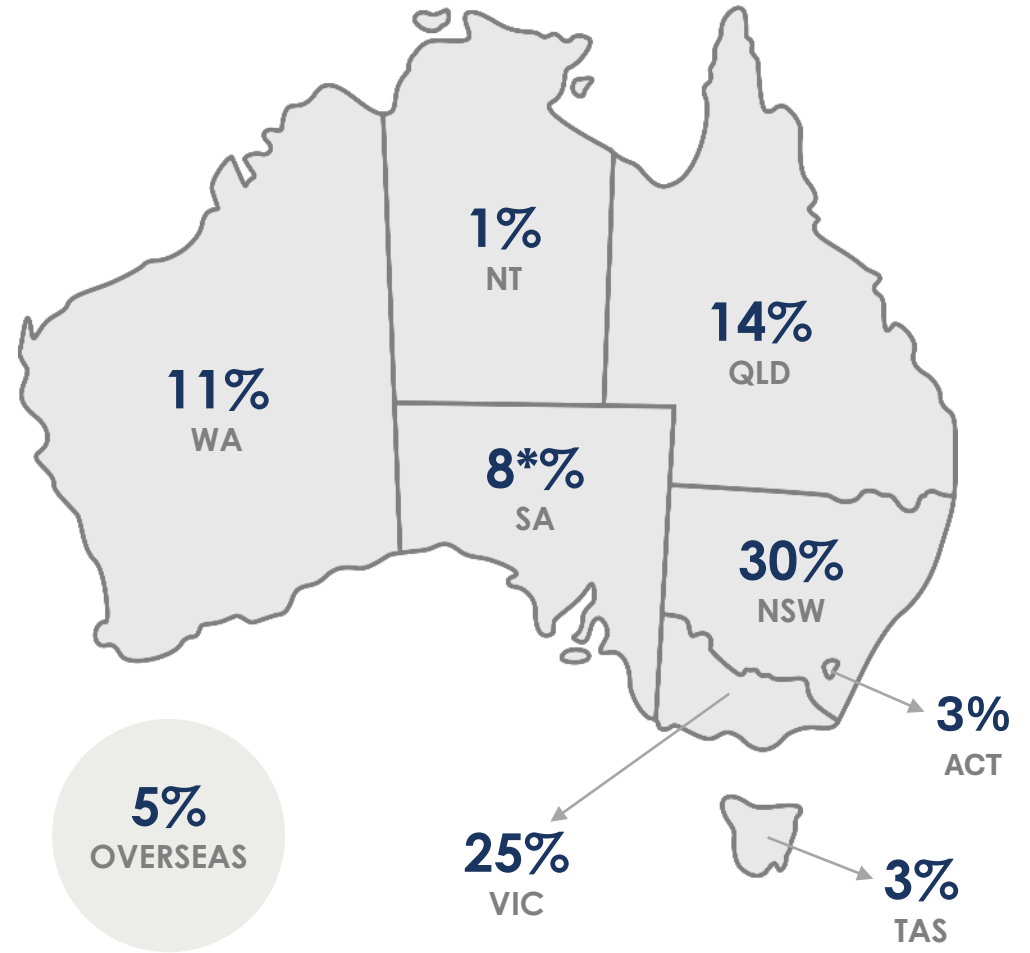
¹ See Appendix Report for analysis of results for all DSI survey questions

Who took part?

- The DSI survey was conducted online with a representative sample of 1737 respondents across Australia between 24 February - 10 March, 2022.
- Respondents were AICD members with current directorships.
- Sample profile information follows. Survey responses were weighted by gender to reflect the AICD member profile when analysing results.
- Detailed results comparing the current and previous wave are included in chapters 9-10 of this report.



PRIMARY DIRECTORSHIP BASE



All figures included in the report are rounded to whole numbers.
*This survey was conducted prior to the SA election on 19/3/22, which resulted in a change of government.

Full sample profile

No. of Current Directorships	%
1	34%
2	29%
3 or more	37%

Position held on Board(s)	%
Executive Director	31%
Non-Executive Director	45%
Chairman	21%
Other	3%
Prefer not to say	1%

Gender	%
Male	72%
Female	28%
Other / Non-Binary	0%
Prefer not to say	0%

Age	%
18-34	1%
35-44	7%
45-54	25%
55-64	40%
65-74	21%
75 or over	4%
Prefer not to say	1%

Primary Directorship Company	%
Publicly listed Australian entity	10%
Private/non-listed Australian entity	41%
Not-for profit entity	35%
Overseas entity	5%
Public sector/ government body	8%
Prefer not to say	1%

Primary Directorship Location	%
New South Wales	30%
Victoria	25%
Queensland	14%
Western Australia	11%
Tasmania	3%
South Australia	8%
Northern Territory	1%
Australian Capital Territory	3%
Overseas	5%

Directorship Business Sector	%
Accommodation and Food Services	2%
Administrative and Support Services	1%
Agriculture, Forestry and Fishing	4%
Arts and Recreational Services	3%
Construction	3%
Education and Training	8%
Electricity, Gas and Water	2%
Financial and Insurance Services	11%
Healthcare and Social Assistance	22%
Information Media and Telecommunications	4%
Manufacturing	4%
Mining	4%
Professional, Scientific and Technical Services	12%
Public Administration and Safety	1%
Rental, Hiring and Real Estate Services	1%
Retail Trade	2%
Transport, Postal and Warehousing	2%
Wholesale Trade	2%
Other Services	5%
Other Sector	7%

CHAPTER 3

Economic Outlook

1st HALF 2022
DSI CATEGORY
SCORE



+33

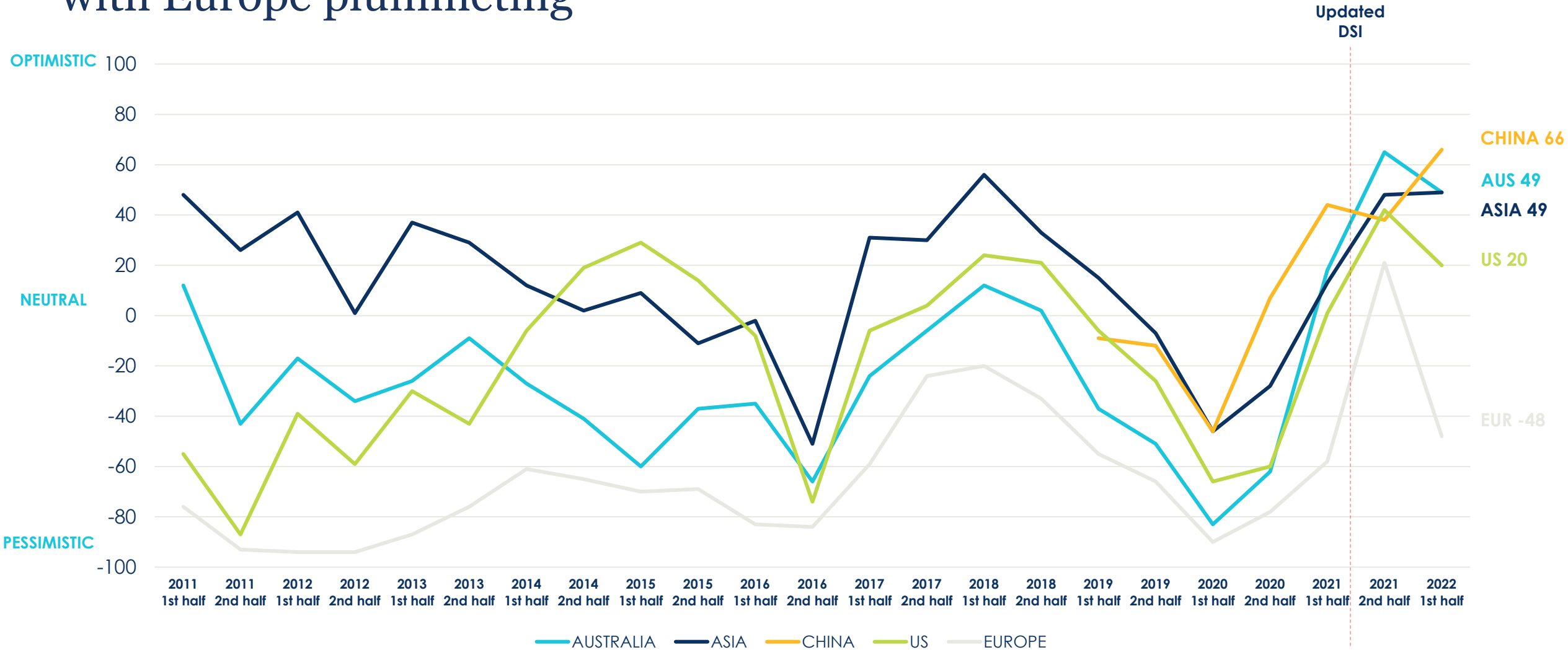
2nd HALF 2021
DSI CATEGORY
SCORE



+38

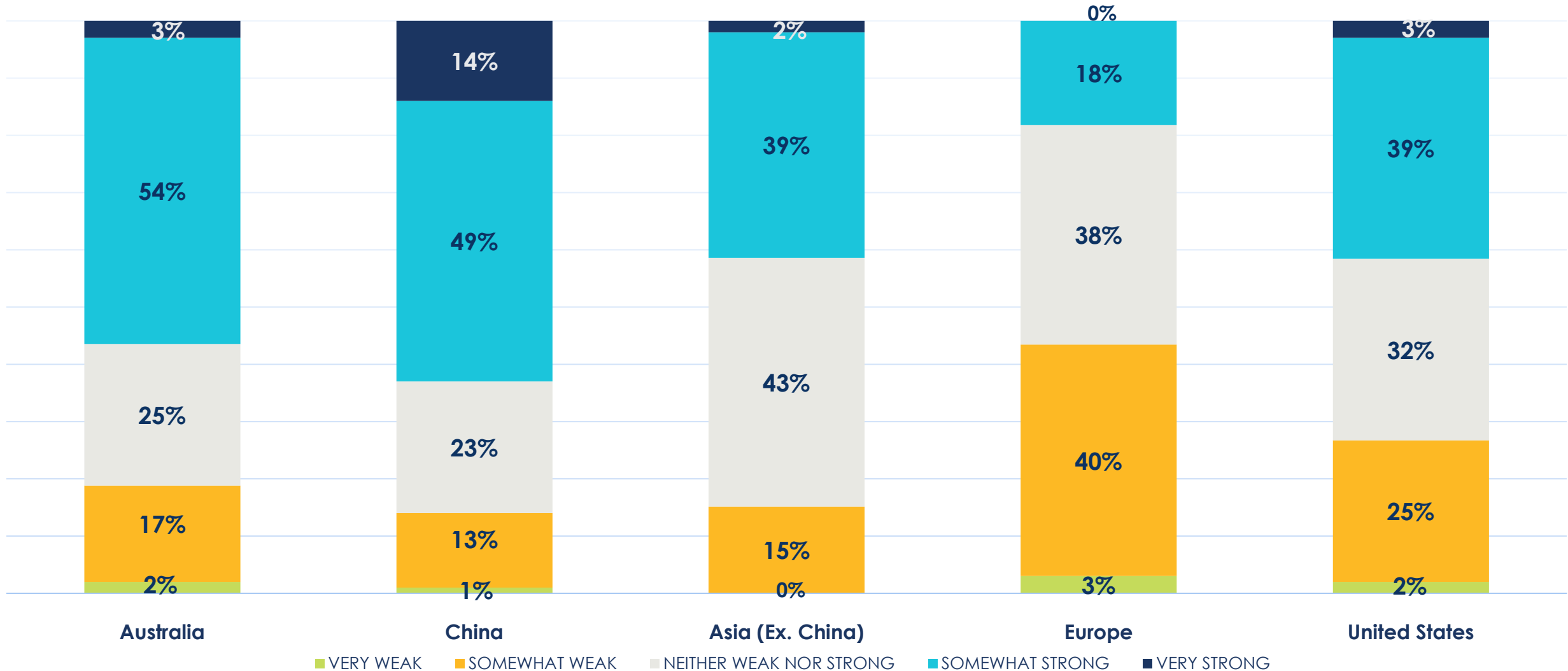


Outside of Asia, confidence in big economies sinks, with Europe plummeting

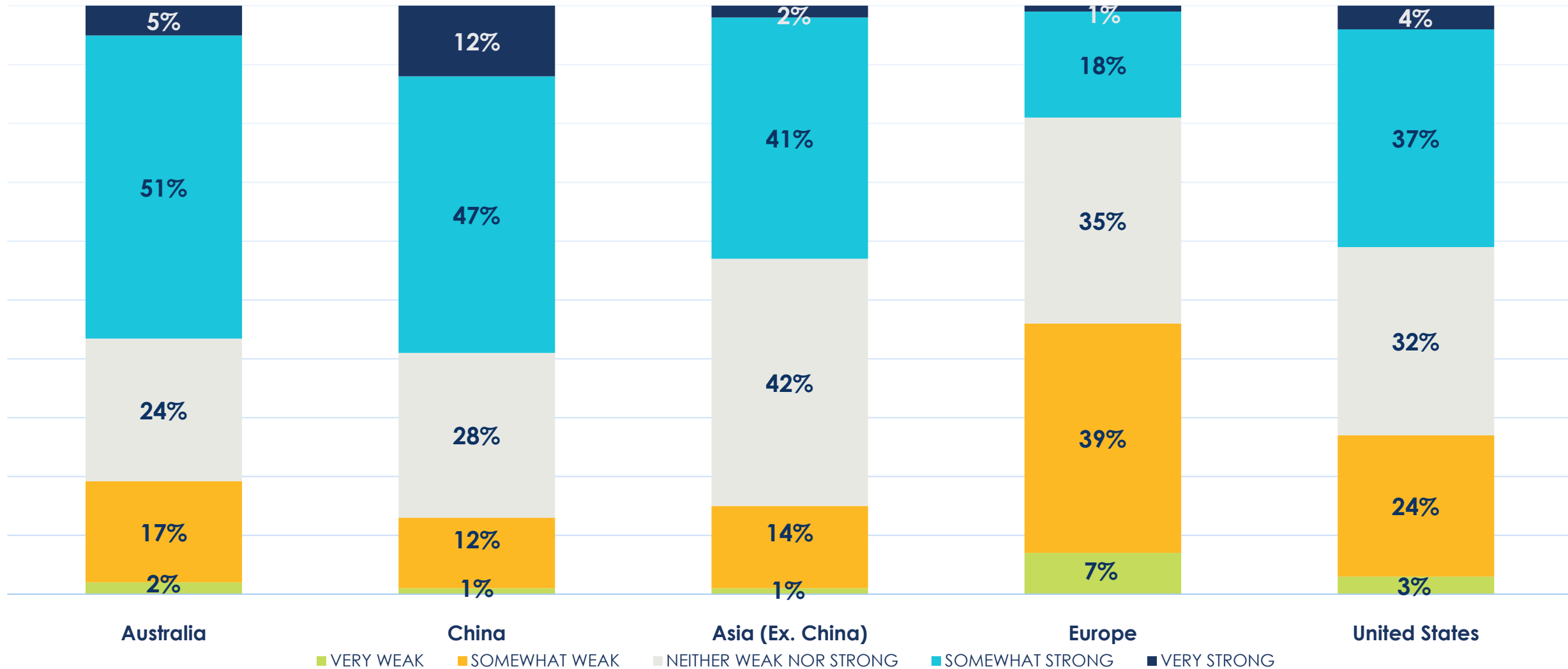


Note: Changes to question or response options in 2nd half 2021 may impact comparability with previous results E9. Over the next 12 months, what would be your assessment of the health of the following economies...? (Very weak, Somewhat weak, Neither weak nor strong, Somewhat Strong, Very strong) From 2nd half 2021 Asia excludes China. Base: AICD Directors 18+; n=1,737.

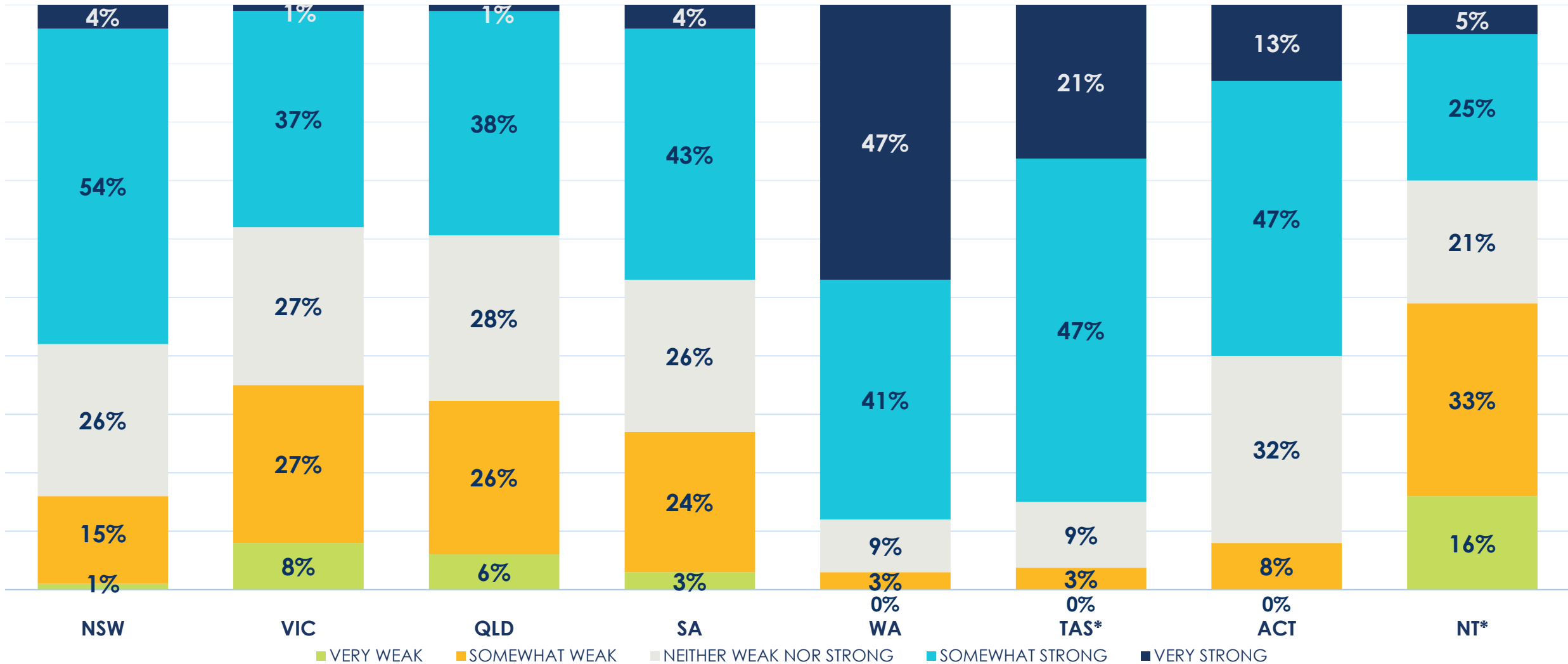
What is your assessment of the current health of the following economies?



Over the next 12 months, what would be your assessment of the health of the following economies...?

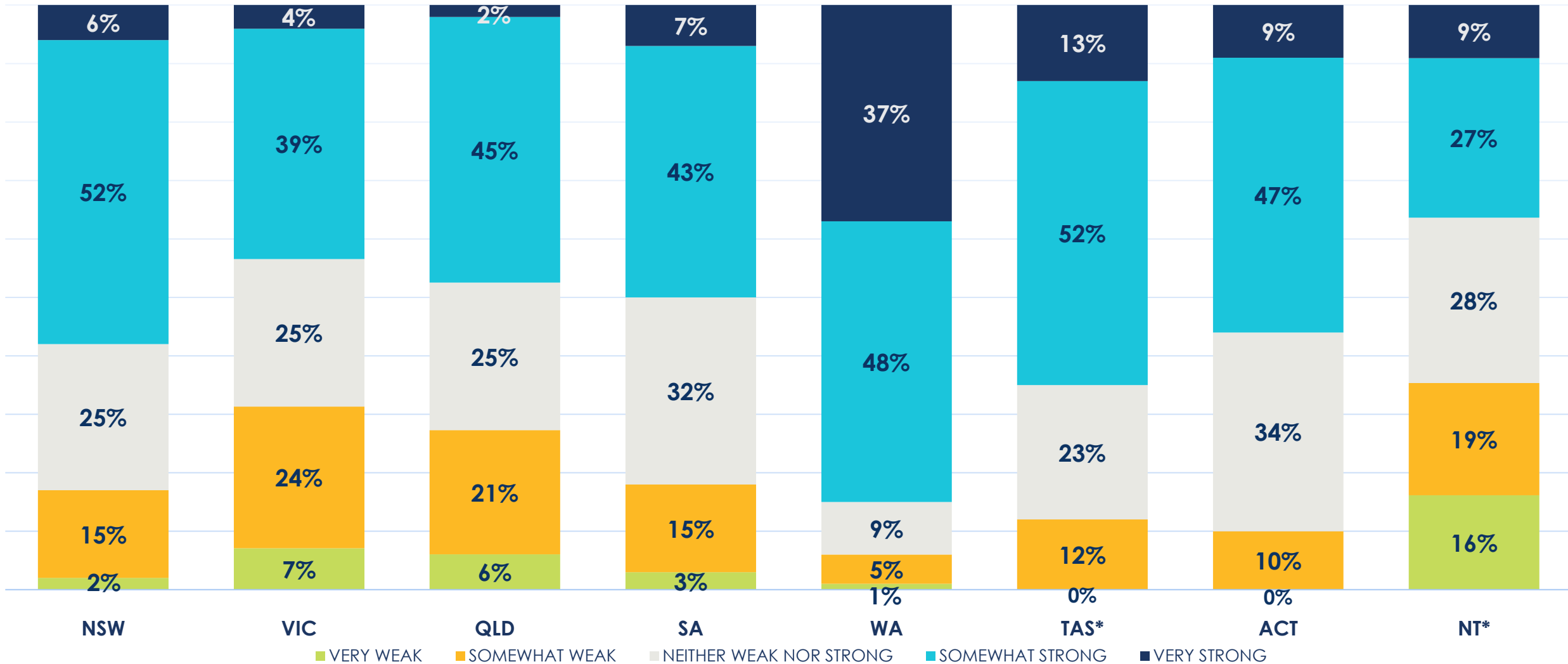


What is your assessment of the current health of the economy in the state where your primary directorship is based



Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022. Base: AICD Directors 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. * Indicates small base <50

What is your assessment of the current health of the economy in the state where your primary directorship is based



DSI score by question

QUESTION	1st HALF 2022 INDEX SCORE	2nd HALF 2021 INDEX SCORE
Health of the Australian economy (Now)	+49	+56
Health of the Australian economy (12 months from now)	+49	+65
Health of your state or territory economy (Now)	+39	+35
Health of your state or territory economy (12 months from now)	+44	+56
Health of the Chinese economy (Now)	+68	+33
Health of the Chinese economy (12 months from now)	+66	+38
Health of the Asian economy (excl. China) (Now)	+46	+34
Health of the Asian economy (excl. China) (12 months from now)	+49	+48
Health of the European economy (Now)	-41	-16
Health of the European economy (12 months from now)	-48	+21
Health of the US economy (Now)	+22	+21
Health of the US economy (12 months from now)	+20	+42

CHAPTER 4

Business Conditions

1st HALF 2022
DSI CATEGORY
SCORE



+41

2nd HALF 2021
DSI CATEGORY
SCORE



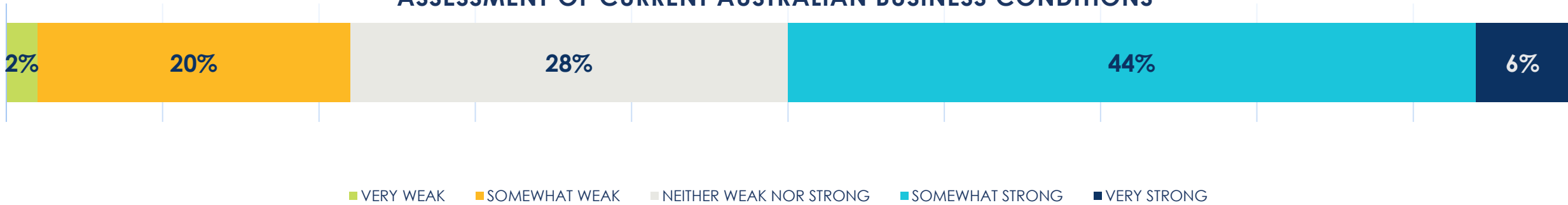
+53



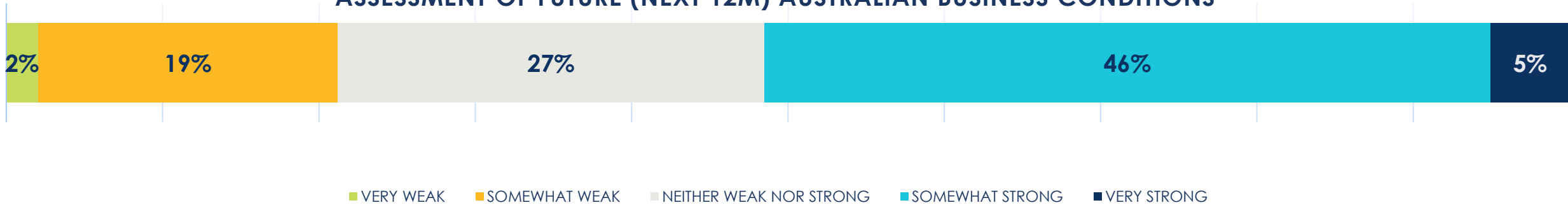
BUSINESS CONDITIONS

What is your assessment of current and future business conditions in Australia?

ASSESSMENT OF CURRENT AUSTRALIAN BUSINESS CONDITIONS

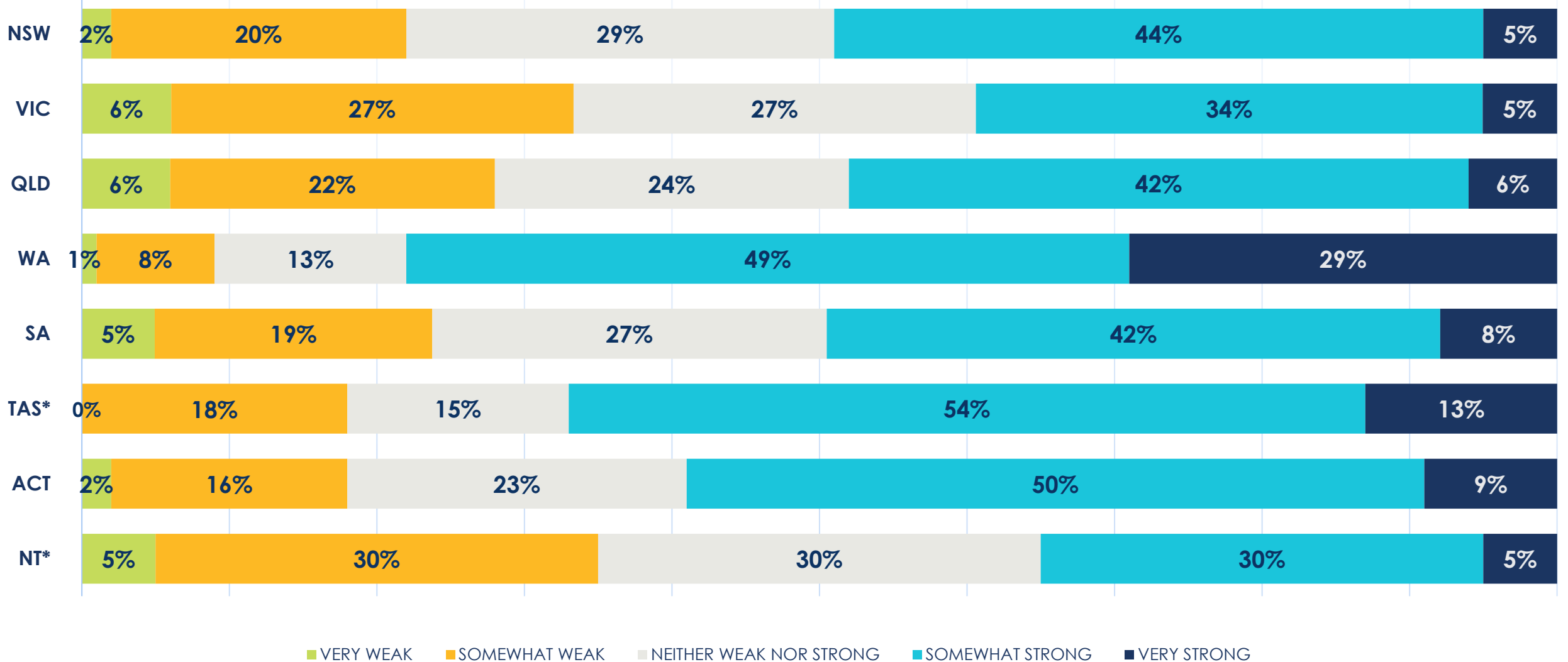


ASSESSMENT OF FUTURE (NEXT 12M) AUSTRALIAN BUSINESS CONDITIONS



BUSINESS CONDITIONS

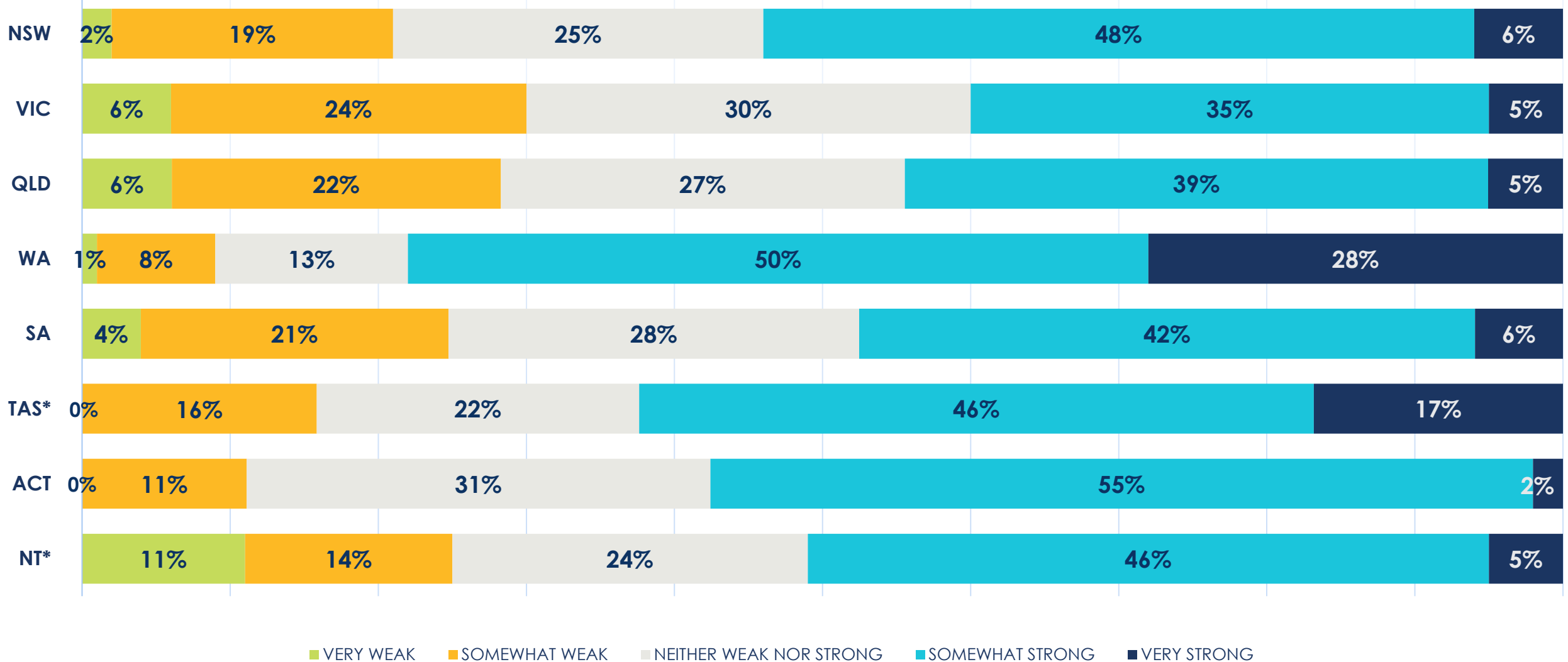
What is your assessment of current business conditions in the state where your primary directorship is based?



Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022. Base: AICD Directors 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. * Indicates small base <50

BUSINESS CONDITIONS

What is your assessment of business conditions over the next 12 months in the state where your primary directorship is based?



Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022. Base: AICD Directors 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. * Indicates small base <50

BUSINESS CONDITIONS

What is your assessment of current business conditions in the industry your primary directorship is in?

INDUSTRY	VERY WEAK	SOMEWHAT WEAK	NEITHER WEAK NOR STRONG	SOMEWHAT STRONG	VERY STRONG
Accommodation and Food Services*	14%	49%	16%	19%	3%
Administrative and Support Services*	6%	13%	28%	48%	6%
Agriculture, Forestry and Fishing	3%	14%	6%	48%	29%
Arts and Recreational Services*	22%	34%	34%	9%	2%
Construction	7%	19%	10%	32%	32%
Education and Training	2%	30%	18%	41%	9%
Electricity, Gas and Water*	0%	10%	17%	57%	16%
Financial and Insurance Services	1%	5%	31%	51%	12%
Healthcare and Social Assistance	7%	32%	22%	30%	8%
Information Media and Telecommunications	3%	9%	20%	52%	16%
Manufacturing	3%	26%	25%	38%	8%
Mining	1%	1%	8%	43%	46%
Professional, Scientific and Technical Services	1%	10%	15%	47%	27%
Public Administration and Safety*	4%	17%	44%	35%	0%
Rental, Hiring and Real Estate Services*	5%	19%	14%	33%	29%
Retail Trade*	5%	16%	24%	43%	12%
Transport, Postal and Warehousing*	0%	7%	34%	49%	10%
Wholesale Trade*	4%	29%	23%	36%	9%
Other Services	3%	15%	35%	35%	12%
Other Sector	4%	24%	33%	33%	6%

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 18+; n=1,737. Accommodation n=30, Administrative n=17, Agriculture n=65, Arts n=47, Construction n=59, Education n=136, Electricity n=38, Financial n=191, Healthcare n=357, Information Media n=67, Manufacturing n=75, Mining n=76, Professional n=218, Public Admin n=25 Rental n=27, Retail n=37, Transport n=28, Wholesale n=34, Other services n=83, Other sector n=127 *Indicates small base <50

What is your assessment of business conditions over the next 12 months in the industry your primary directorship is in?

INDUSTRY	VERY WEAK	SOMEWHAT WEAK	NEITHER WEAK NOR STRONG	SOMEWHAT STRONG	VERY STRONG
Accommodation and Food Services*	8%	29%	37%	20%	6%
Administrative and Support Services*	6%	8%	28%	54%	6%
Agriculture, Forestry and Fishing	1%	12%	17%	44%	25%
Arts and Recreational Services*	9%	35%	37%	17%	2%
Construction	5%	17%	10%	42%	26%
Education and Training	4%	18%	26%	45%	8%
Electricity, Gas and Water*	0%	10%	10%	60%	19%
Financial and Insurance Services	1%	6%	27%	54%	11%
Healthcare and Social Assistance	8%	28%	27%	28%	10%
Information Media and Telecommunications	0%	9%	24%	44%	22%
Manufacturing	3%	15%	36%	37%	9%
Mining	0%	3%	8%	47%	42%
Professional, Scientific and Technical Services	2%	9%	16%	49%	24%
Public Administration and Safety*	0%	17%	45%	34%	4%
Rental, Hiring and Real Estate Services*	4%	13%	14%	55%	14%
Retail Trade*	2%	16%	42%	33%	7%
Transport, Postal and Warehousing*	0%	3%	32%	49%	15%
Wholesale Trade*	0%	18%	41%	37%	3%
Other Services	1%	18%	31%	40%	10%
Other Sector	2%	20%	33%	36%	9%

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 18+; n=1,737. Accommodation n=30, Administrative n=17, Agriculture n=65, Arts n=47, Construction n=59, Education n=136, Electricity n=38, Financial n=191, Healthcare n=357, Information Media n=67, Manufacturing n=75, Mining n=76, Professional n=218, Public Admin n=25, Rental n=27, Retail n=37, Transport n=28, Wholesale n=34, Other services n=83, Other sector n=127 *Indicates small base <50

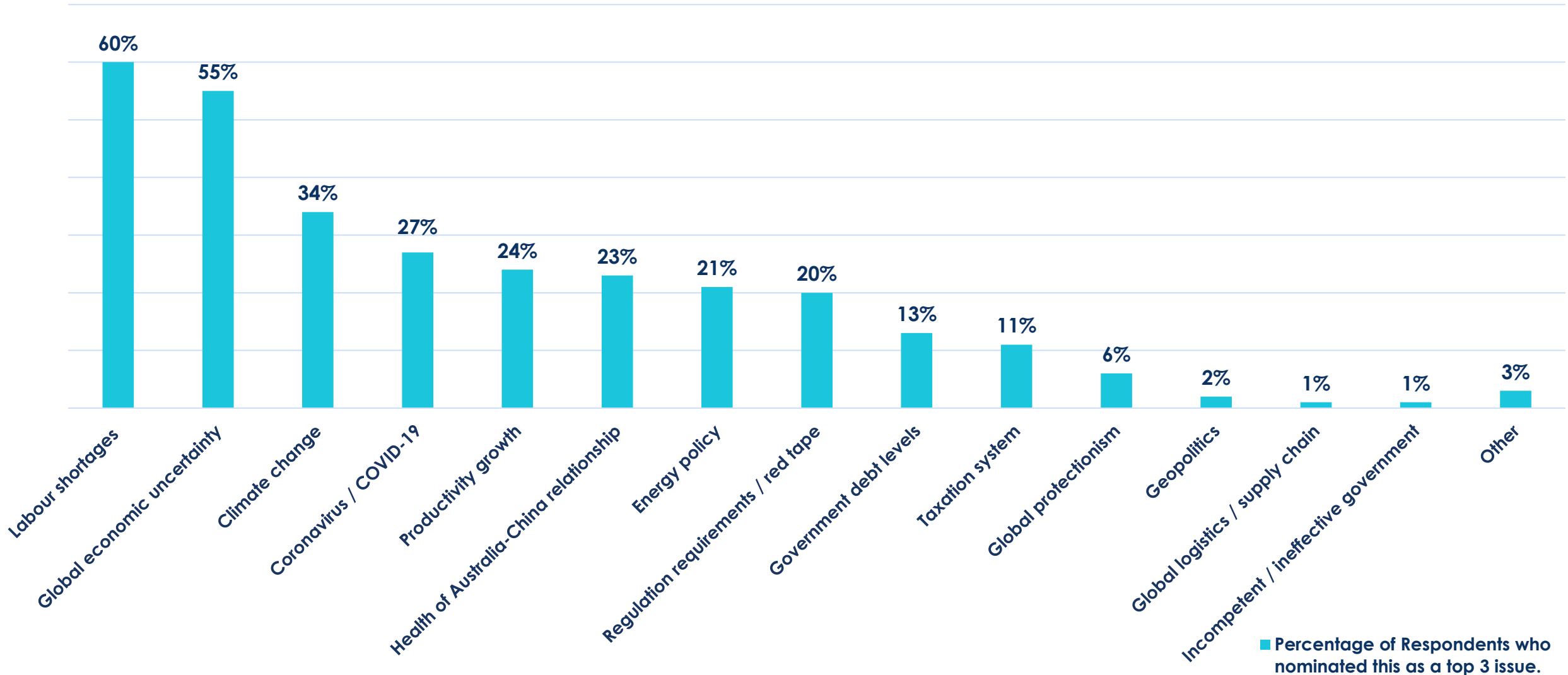
BUSINESS CONDITIONS

To what extent, if any, do you expect the following conditions to change over the next 12 months within your business?

CONDITION	STRONGLY DECREASE	SLIGHTLY DECREASE	NEITHER DECREASE NOR INCREASE	SLIGHTLY INCREASE	STRONGLY INCREASE
Investment Levels	2%	16%	28%	44%	10%
Staffing Levels / Labour Demands	1%	9%	23%	50%	17%
Wage Levels	0%	2%	24%	61%	13%
Costs (e.g. raw materials, energy, etc.)	0%	1%	9%	45%	45%
Turnover / Sales	1%	7%	28%	52%	12%
Profitability	3%	23%	33%	36%	5%

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022. Base: AICD Directors 18+; n=1,737.

What are the top economic challenges currently facing Australian businesses?



■ Percentage of Respondents who nominated this as a top 3 issue.

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022. Base: AICD Directors 18+; n=1,737.

DSI score by question

QUESTION	1st HALF 2022 INDEX SCORE	2nd HALF 2021 INDEX SCORE
Assessment of business conditions in Australia (Now)	+41	+44
Assessment of business conditions in Australia (12 months from now)	+41	+66
Assessment of business conditions in your state or territory (Now)	+35	+36
Assessment of business conditions in your state or territory (12 months from now)	+38	+56
Assessment of business conditions in the sector of your primary directorship (Now)	+41	+49
Assessment of business conditions in the sector of your primary directorship (12 months from now)	+49	+65

CHAPTER 5

Micro/Structural Policy Settings

1st HALF 2022
DSI CATEGORY
SCORE



-24

2nd HALF 2021
DSI CATEGORY
SCORE

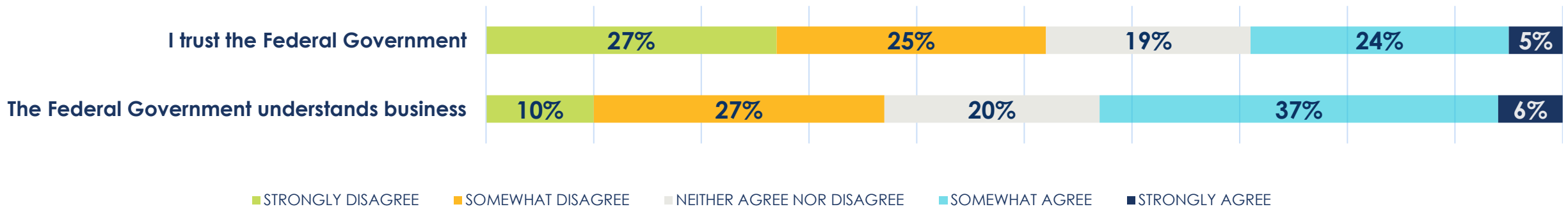


-17

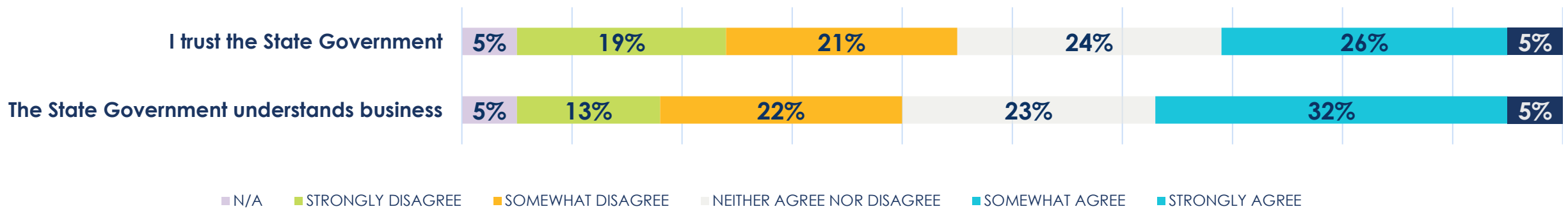


To what extent do you agree or disagree with the following statements about government?

Assessment of Federal Government



Assessment of State Government



To what extent do you agree or disagree that the state government where your primary directorship is based understands business?

STATE	STRONGLY DISAGREE	SOMEWHAT DISAGREE	NEITHER DISAGREE NOR AGREE	SOMEWHAT AGREE	STRONGLY AGREE
NSW	5%	18%	25%	44%	8%
VIC	22%	27%	24%	24%	2%
QLD	23%	36%	22%	19%	0%
SA	9%	12%	19%	49%	11%
WA	10%	23%	23%	37%	7%
TAS*	0%	11%	34%	40%	16%
ACT	15%	17%	32%	32%	4%
NT*	21%	44%	16%	19%	0%

To what extent do you agree or disagree that you trust the state government where your primary directorship is based?

STATE	STRONGLY DISAGREE	SOMEWHAT DISAGREE	NEITHER DISAGREE NOR AGREE	SOMEWHAT AGREE	STRONGLY AGREE
NSW	14%	21%	30%	29%	6%
VIC	29%	20%	21%	26%	5%
QLD	31%	30%	23%	15%	1%
SA	10%	17%	18%	48%	7%
WA	15%	22%	25%	28%	9%
TAS*	5%	15%	36%	31%	14%
ACT	13%	20%	32%	28%	7%
NT*	26%	35%	14%	26%	0%

What is your level of satisfaction with the current state of the following Australian policy settings...? If dissatisfied, were these policy settings too high or too low?

POLICY SETTING	VERY DISSATISFIED	SOMEWHAT DISSATISFIED	NEITHER SATISFIED NOR DISSATISFIED	SOMEWHAT SATISFIED	VERY SATISFIED	IS IT...	
						TOO LOW?	TOO HIGH?
Corporate taxation / company tax rates	9%	33%	37%	20%	2%	24%	76%
Personal taxation / personal income tax	14%	35%	31%	18%	1%	13%	87%
GST	7%	21%	45%	24%	4%	72%	28%
Government spending on infrastructure	12%	30%	22%	32%	4%	95%	5%
Government openness to foreign investment	5%	22%	44%	26%	3%	53%	47%
Support for international trade	4%	20%	41%	31%	4%	87%	13%
Government spending on education and training	20%	39%	22%	17%	1%	97%	3%
Government support for innovation and R&D	22%	37%	23%	17%	2%	99%	1%

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 18+; n=1,737. Total very dissatisfied or somewhat dissatisfied with: Corporate taxation n=724, Personal taxation n=854, GST rates n=493, Govt spending on infrastructure n=731, Govt openness to foreign investment n=455, Support for international trade n=410, Govt spending on education n=1006, Govt support for innovation n=1011.

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DSI score by question

QUESTION	1st HALF 2022 INDEX SCORE	2nd HALF 2021 INDEX SCORE
Perception of current level of corporate taxation	-36	-34
Perception of current level of personal taxation	-50	-48
Perception of level of GST in Australia	-5	+1
Perception of level of government spending on infrastructure	-15	+7
Perception of level of government openness to foreign investment	+2	+1
Perception of level of trade protection	+16	+13
Perception of level of government spending on education	-60	-51
Perception of level of government support for innovation and R&D	-60	-57
Agreement with 'Federal Government understands business'	+1	+3
Agreement with 'the state government understands business'	-6	+4

CHAPTER 6

Macro Policy Settings

1st HALF 2022
DSI CATEGORY
SCORE



-4

2nd HALF 2021
DSI CATEGORY
SCORE



+6



How positively or negatively do the following affect your business?

MACRO POLICY SETTING	VERY NEGATIVELY	SOMEWHAT NEGATIVELY	NEITHER NEGATIVELY NOR POSITIVELY	SOMEWHAT POSITIVELY	VERY POSITIVELY	N/A
Current Federal fiscal policy settings (i.e. the overall balance between government spending and taxation).	4%	27%	52%	16%	1%	0%
Current State fiscal policy settings (i.e. the overall balance between government spending and taxation).	6%	25%	48%	15%	1%	5%
Current RBA monetary policy (e.g. the official cash interest rate)	2%	15%	51%	28%	3%	0%
Current level of the Australian dollar	1%	15%	65%	18%	1%	0%
Availability of business credit (for investments, asset purchases, working capital, etc.)	3%	14%	57%	24%	2%	0%

How positively or negatively does your state's current fiscal policy settings affect your business?

STATE	VERY NEGATIVELY	SOMEWHAT NEGATIVELY	NEITHER NEGATIVELY NOR POSITIVELY	SOMEWHAT POSITIVELY	VERY POSITIVELY
NSW	2%	22%	59%	16%	1%
VIC	11%	28%	45%	15%	1%
QLD	10%	34%	46%	10%	0%
SA	3%	23%	50%	21%	2%
WA	5%	28%	45%	19%	2%
TAS*	0%	15%	54%	29%	2%
ACT	5%	16%	64%	14%	2%
NT*	14%	41%	21%	24%	0%

DSI score by question

QUESTION	1st HALF 2022 INDEX SCORE	2nd HALF 2021 INDEX SCORE
Agreement that fiscal support offered by Federal Government is adequate	-33	-23
Agreement that fiscal support offered by state government is adequate	-36	-23
Agreement that the current RBA monetary policy is adequate	+27	+35
Agreement that the current level of the Australian dollar is impacting my business	+7	+19
Current experience with credit availability for investment purposes, asset purchases, working capital etc.	+18	+26

CHAPTER 7

Directorship Conditions

1st HALF 2022
DSI CATEGORY
SCORE



+3

2nd HALF 2021
DSI CATEGORY
SCORE

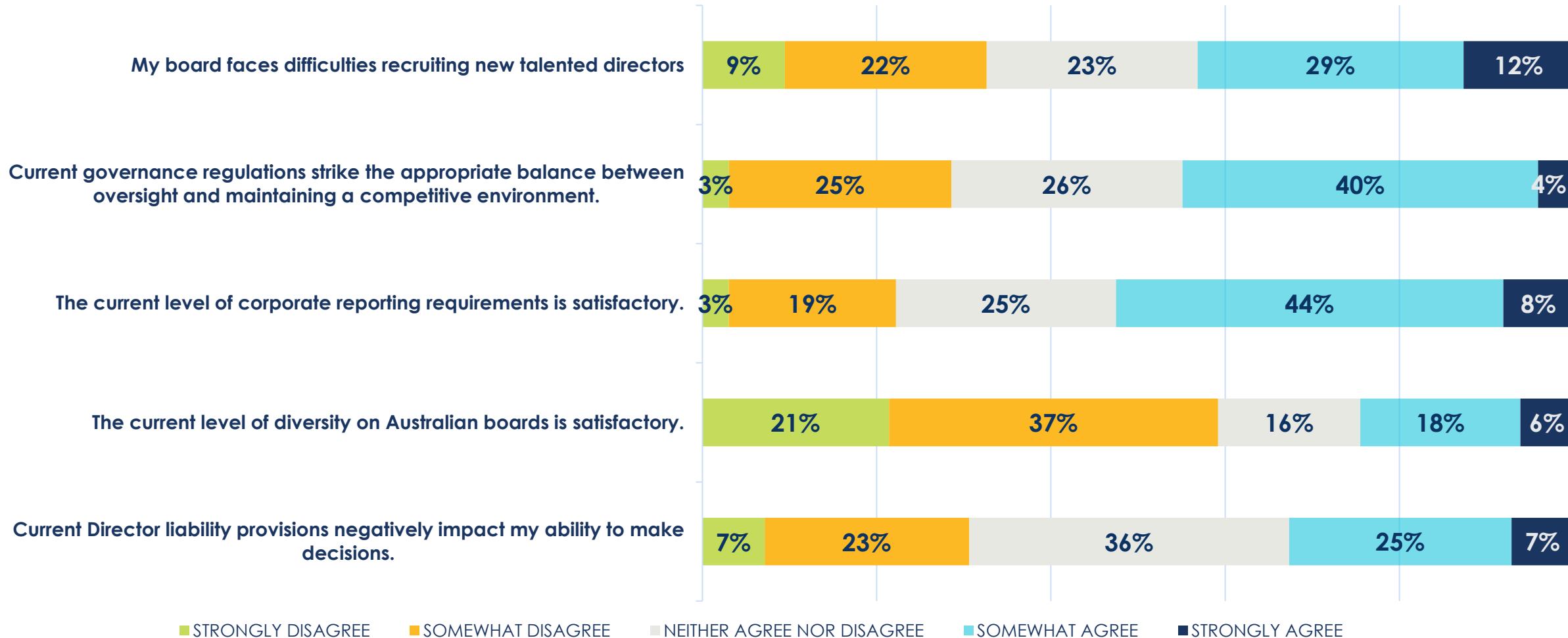


+4



DIRECTORSHIP CONDITIONS

Based on your personal board experience, please indicate the extent to which you agree or disagree with the following statements



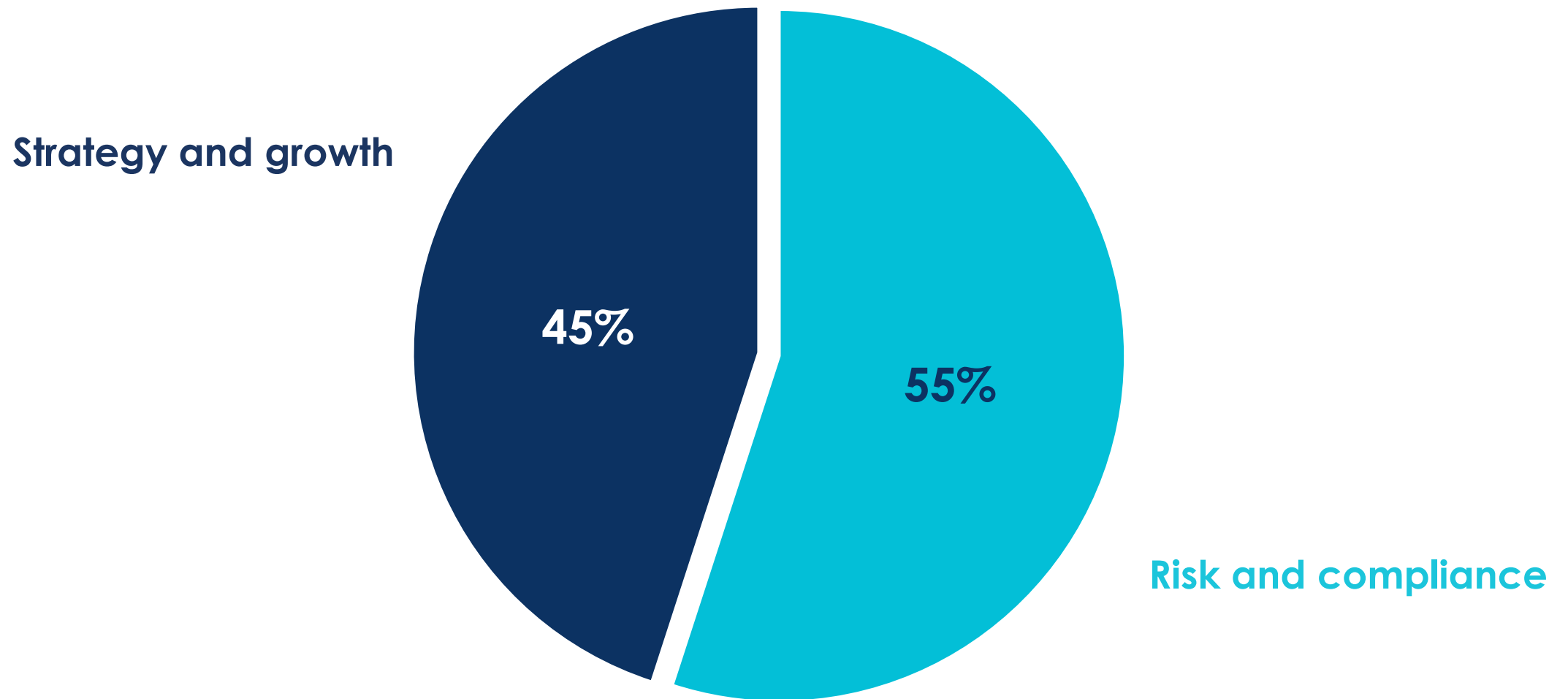
Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022. Base: AICD Directors 18+; n=1,737.

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You disagreed that current governance regulations strike the appropriate balance between oversight and maintaining a competitive environment. Do you find regulations to be...



Please estimate the percentage of your board's discussion and consideration on each of these topics.



To what extent would the following policies impact your board to have a greater focus on strategy and growth?

POLICIES	NO IMPACT	MINOR IMPACT	MODERATE IMPACT	MAJOR IMPACT	CAN'T SAY
Reduction or harmonisation of overlapping state and federal regulatory obligations	8%	20%	37%	33%	3%
Reform to director liability settings	13%	33%	35%	15%	5%
Reform to insolvency law	32%	33%	22%	7%	7%
Greater long-term policy certainty	3%	11%	40%	44%	2%
Taxation reform	16%	27%	33%	20%	4%
Further reporting and disclosure reform	11%	30%	41%	15%	4%
Greater clarity or guidance from Australia's key economic regulators on expectations for companies and boards in meeting key obligations	9%	27%	40%	20%	4%

DSI score by question

QUESTION	1st HALF 2022 INDEX SCORE	2nd HALF 2021 INDEX SCORE
Agreement with current governance regulations are appropriately balanced	+22	+20
Agreement that the current level of corporate reporting requirements is satisfactory	+42	+43
Agreement that the current level of diversity on Australian boards is satisfactory	-43	-44
Agreement that the current director liability provisions negatively impact decision-making	-5	-10

CHAPTER 8

Topical Issues & Deep Dives



In your opinion, what are the top 3 challenges your board faces in recruiting new directors?

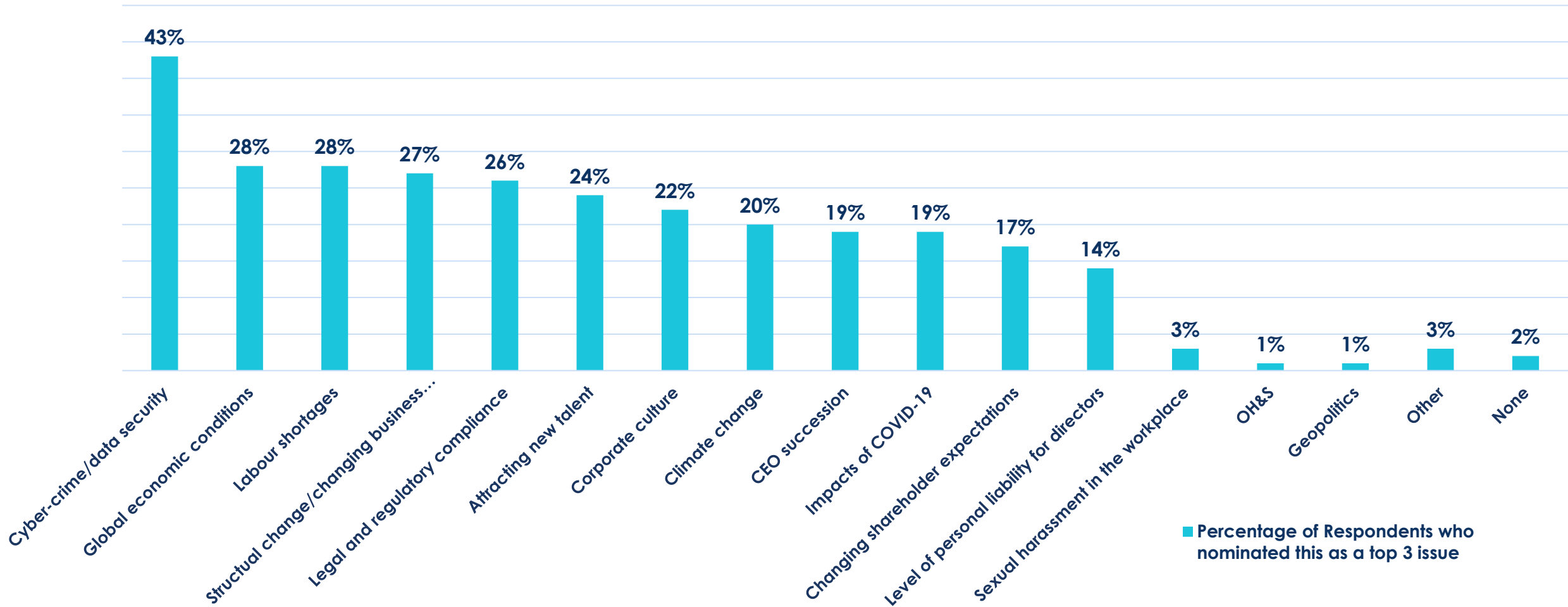
ISSUES	1 ST MENTION	2 ND MENTION	3 RD MENTION	TOTAL MENTIONS*
Lack of appropriate skills in potential candidates	29%	16%	14%	59%
Expected time commitment	16%	18%	16%	50%
Legal and compliance burden	11%	16%	17%	44%
Meeting board diversity requirements	13%	15%	11%	39%
Threat of liability	9%	10%	12%	31%
Level of director fees	7%	9%	10%	26%
Level of public and/or industry scrutiny	5%	7%	9%	21%

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022. Base: AICD Directors 18+; n=1,737.
 *Percentage of respondents who nominated this as a top 3 issue. Issues not included <20% total mentions.
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In your opinion, what are the top 3 issues the Federal Government should address in the short term (next 3 years) and longer term (next 10-20 years)?

ISSUES	SHORT-TERM % OF TOTAL MENTIONS	SHORT-TERM ISSUE RANKING	LONG-TERM % OF TOTAL MENTIONS	LONG-TERM ISSUE RANKING*
Climate change	39%	1	50%	1
Lack of skills in workforce / skills shortages	36%	2	18%	7
Energy policy	24%	3	20%	4
Taxation reform	21%	4	14%	12
Productivity growth	20%	5	18%	6
Housing affordability / housing supply	19%	6	14%	13
Australia-China relationship	18%	7	14%	14
Innovation policy / barriers to innovation	17%	8	17%	8
Education	16%	9	18%	5
Health	16%	10	15%	11
Ageing population	15%	11	25%	2
Infrastructure	14%	12	16%	9
International competitiveness	12%	13	21%	3
Federal budget deficit	10%	14	15%	10
Defence	10%	15	11%	15

What are the top 3 issues most likely to “keep you awake at night” as a director on your board?



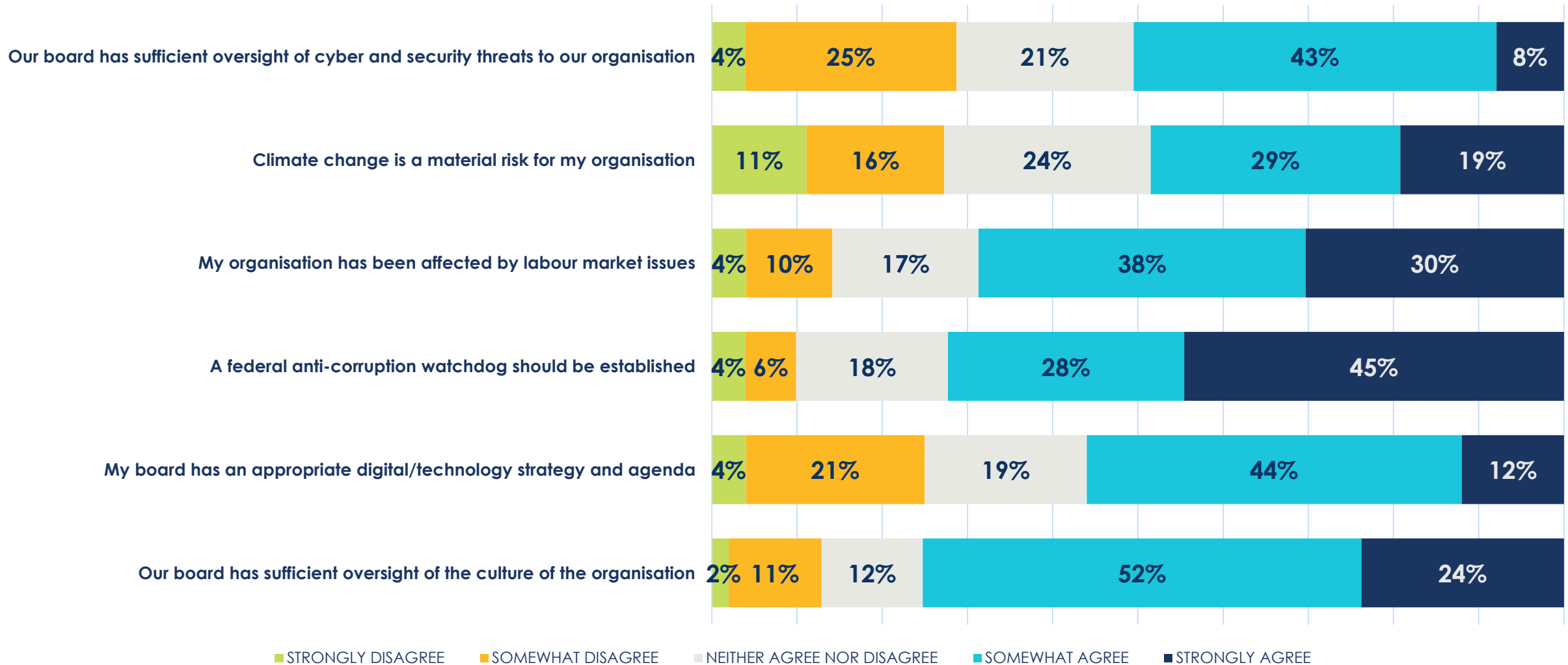
What are the top 3 issues most likely to “keep you awake at night” as a director on your board?

ISSUES	1 ST MENTION	2 ND MENTION	3 RD MENTION	TOTAL MENTIONS*
Cyber-crime / data security	23%	12%	8%	43%
Global economic conditions	9%	10%	10%	28%
Labour shortages	7%	10%	10%	28%
Structural change/changing business models	9%	8%	10%	27%
Legal and regulatory compliance	8%	9%	8%	26%
Attracting new talent	7%	9%	8%	24%
Corporate culture	6%	9%	8%	22%
Climate change	6%	7%	7%	20%
CEO succession	7%	6%	6%	19%
Impacts of COVID-19	5%	7%	7%	19%
Changing stakeholder expectations	4%	6%	7%	17%
Level of personal liability for directors	4%	4%	7%	14%

What aspects of this make it the main issue likely to ‘keep you awake at night’?

ISSUES	MOST CITED CODES	% OF FIRST MENTION RESPONSES CITING THIS REASON
Cyber-crime / data security	Cyber security is a big issue/ increasing risk/ difficult to understand/ not equipped to deal with it	88%
	Impact on the company/ our strategy/ staff/ Immediate impact/ risk of failure	21%
	Dependent on market/economic conditions/ external variables/ financial impact	7%
Global economic conditions	Global uncertainty/ Global events affect us/ impacts Australia/ Global economies are volatile	65%
	Economic conditions/ uncertainty / interest rates/ inflation/ need to transition to a sustainable economy/ Impact on the economy	25%
	Australia-China trade relationship/ Tensions between USA and China/ Supply chain issues from China/ China's expansion into SE Asia	17%
Labour shortages	Staff/ talent shortage/ finding the right staff/ attracting and retaining good staff/ hard to find staff due to our low wage levels, conditions, location, etc.	96%
	Important for our growth/ success/ changing business model to meet stakeholder expectations	17%
	COVID policy/ restrictions/ impacted company/ lost customers/ staff shortages/ changed the way we work/ supply chain issues	13%

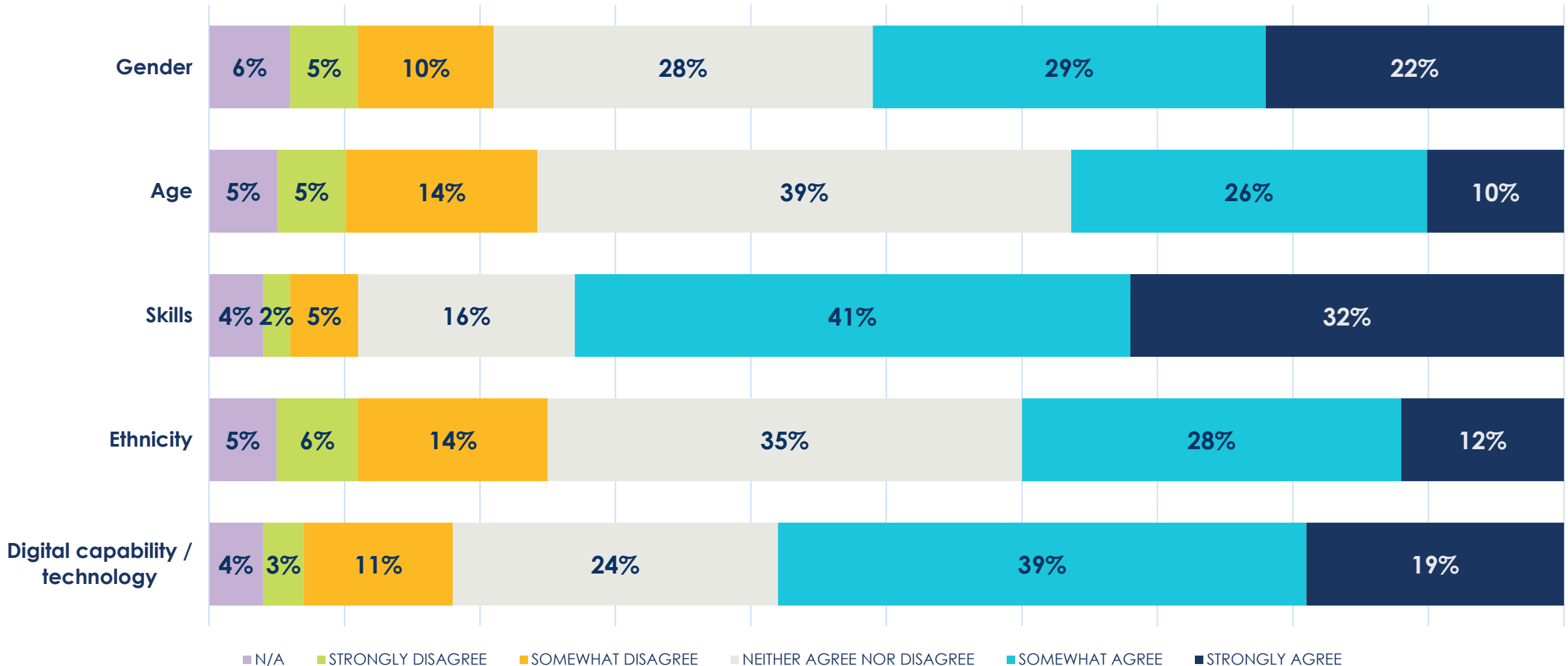
To what extent do you agree or disagree with the following statements?



Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022. Base: AICD Directors 18+; n=1,737.

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How much do you agree or disagree that your board is currently seeking to increase diversity in the following areas?



Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022. Base: AICD Directors 18+; n=1,737.

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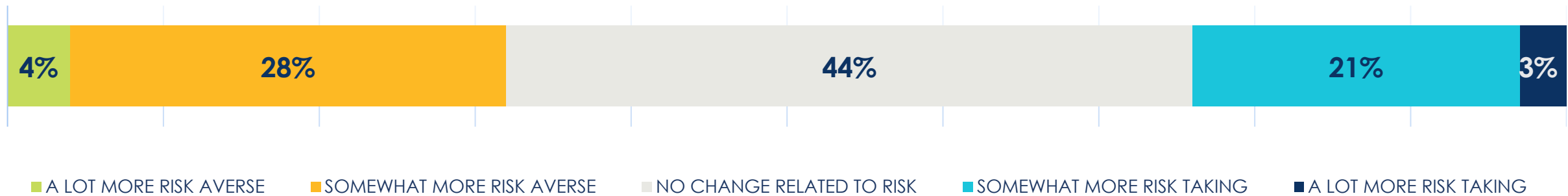
Thinking about the issues that affect your organisation (not your personal circumstances) what is the one most important issue that your vote will be based on in the upcoming Federal election?

ISSUES	% OF RESPONSES
Economy/ Economic management and performance	14%
Climate change	13%
Leadership/ future direction of Australia/ long-term policy	9%
Government integrity/ trustworthiness	6%
Health/ healthcare/ disability/ NDIS funding and management	6%
Taxation/ lower taxes	6%
Employment/ skills development/ increase migration	5%
Pro-business policy/ reduction in bureaucratic red-tape	4%
Energy policy	4%
Education	3%

How would you rate the impact of flexible working arrangements such as working remotely / from home in your organisation, in terms of...?

AREAS	VERY NEGATIVE	SOMEWHAT NEGATIVE	NEITHER NEGATIVE NOR POSITIVE	SOMEWHAT POSITIVE	VERY POSITIVE
Staff health and wellbeing	2%	19%	24%	43%	12%
Staff retention	1%	10%	31%	46%	12%
Attracting new staff	2%	10%	34%	43%	12%
Reducing business overhead costs	2%	9%	48%	33%	9%
Staff productivity	3%	22%	32%	34%	8%
Organisational culture	7%	37%	25%	23%	8%
Innovation	6%	31%	32%	24%	7%
Cyber-security	7%	46%	35%	10%	2%

The effects of the pandemic have made my organisation...



To date, what have been the 3 most significant regulatory challenges facing your organisation as a result of COVID-19?

ISSUES	1 ST MENTION	2 ND MENTION	3 RD MENTION	TOTAL MENTIONS*
Complying with employment and Workplace Health & Safety laws	41%	21%	11%	73%
Industry specific regulation	19%	25%	17%	62%
Managing financial reporting obligations including deadlines	8%	14%	19%	40%
Holding an AGM given social distancing restrictions	6%	8%	12%	26%
Complying with continuous disclosure obligations	4%	7%	10%	22%
My organisation has faced no major regulatory challenges	14%	14%	14%	14%
Managing insolvent trading risks	4%	5%	5%	14%

CHAPTER 9

Summary of Key Indicators (DSI)



Summary of Key Indicators (DSI) (1/5)

INDICATOR (ECONOMIC OUTLOOK)	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
Health of the Australian economy – current	Weak/Strong	+38	+42
Health of the state economy – current	Weak/Strong	+28	+27
Health of the Chinese economy – current	Weak/Strong	+49	+20
Health of the Asian (ex. China) economy – current	Weak/Strong	+26	+18
Health of the European economy – current	Weak/Strong	-24	-9
Health of the US economy – current	Weak/Strong	+16	+14
Health of the Australian economy – future (next 12 months)	Weak/Strong	+38	+53
Health of the state economy – future (next 12 months)	Weak/Strong	+32	+46
Health of the Chinese economy – future (next 12 months)	Weak/Strong	+45	+24
Health of the Asian (ex. China) economy – future (next 12 months)	Weak/Strong	+28	+29
Health of the European economy – future (next 12 months)	Weak/Strong	-28	+12
Health of the US economy – future (next 12 months)	Weak/Strong	+14	+29

Summary of Key Indicators (DSI) (2/5)

INDICATOR (BUSINESS CONDITIONS)	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
Australian business conditions – current	Weak/Strong	+28	+31
State business conditions – current	Weak/Strong	+25	+27
Industry business conditions – current	Weak/Strong	+29	+37
Australian business conditions – future (next 12 months)	Weak/Strong	+30	+50
State business conditions – future (next 12 months)	Weak/Strong	+27	+44
Industry business conditions – future (next 12 months)	Weak/Strong	+35	+48

Summary of Key Indicators (DSI) (3/5)

INDICATOR (MICRO & MACRO POLICY)	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
Federal Government's understanding of business	Disagree/Agree	+6	+7
Trust in Federal Government	Disagree/Agree	-22	-17
State government's understanding of business	Disagree/Agree	+2	+12
Trust in state government	Disagree/Agree	-9	+2
Corporate taxation / company tax rates	Dissatisfied/Satisfied	-20	-18
Personal taxation / personal income tax	Dissatisfied/Satisfied	-30	-28
GST	Dissatisfied/Satisfied	0	+3
Government spending on infrastructure	Dissatisfied/Satisfied	-6	+10
Government openness to foreign investment	Dissatisfied/Satisfied	+3	+4
Support for international trade (e.g. free trade agreements, Austrade support for exporters, trade barriers, etc.)	Dissatisfied/Satisfied	+11	+10
Government spending on education and training	Dissatisfied/Satisfied	-41	-32
Government support for innovation and R&D	Dissatisfied/Satisfied	-40	-37

Summary of Key Indicators (DSI) (4/5)

INDICATOR (MICRO & MACRO POLICY)	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
Impact on business of current Federal fiscal policy settings	Negative/Positive	-14	-11
Impact on business of current state fiscal policy settings	Negative/Positive	-15	-8
Impact on business of current RBA monetary policy	Negative/Positive	+14	+19
Impact on business of current level of the Australian dollar	Negative/Positive	+3	+6
Impact on business of the availability of business credit	Negative/Positive	+9	+13

Summary of Key Indicators (DSI) (5/5)

INDICATOR (DIRECTORSHIP CONDITIONS)	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
Current governance regulations are appropriately balanced	Disagree/Agree	+17	+15
Current level of corporate reporting requirements is satisfactory	Disagree/Agree	+30	+32
Current level of diversity on Australian boards is satisfactory	Disagree/Agree	-33	-33
Current director liability provisions have a negative impact on decision making	Disagree/Agree	+3	+6
My board faces difficulties recruiting new talented directors*	Disagree/Agree	+10	N/A

CHAPTER 10

Summary of Other Indicators



What is your assessment of the current health of the economy in the state where your primary directorship is based?

STATE	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
NSW	Weak/Strong	+42	+55
VIC	Weak/Strong	+3	-18
QLD	Weak/Strong	+8	+1
SA	Weak/Strong	+20	+26
WA	Weak/Strong	+84	+82
TAS*	Weak/Strong	+62	+68
ACT	Weak/Strong	+52	+48
NT*	Weak/Strong	-19	-18

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20.

Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11.

* Indicates small base <50

Over the next 12 months, what would be your assessment of the health of the economy in the state where your primary directorship is based?

STATE	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
NSW	Weak/Strong	+41	+69
VIC	Weak/Strong	+12	+24
QLD	Weak/Strong	+21	+19
SA	Weak/Strong	+32	+34
WA	Weak/Strong	+79	+75
TAS*	Weak/Strong	+53	+72
ACT	Weak/Strong	+47	+51
NT*	Weak/Strong	+2	+3

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20.

Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11.

* Indicates small base <50

What is your assessment of current business conditions in the state where your primary directorship is based?

STATE	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
NSW	Weak/Strong	+27	+38
VIC	Weak/Strong	+6	-7
QLD	Weak/Strong	+20	+20
SA	Weak/Strong	+25	+25
WA	Weak/Strong	+69	+70
TAS*	Weak/Strong	+49	+69
ACT	Weak/Strong	+42	+31
NT*	Weak/Strong	0	0

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20.

Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11.

* Indicates small base <50

What is your assessment of business conditions over the next 12 months in the state where your primary directorship is based?

STATE	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
NSW	Weak/Strong	+33	+63
VIC	Weak/Strong	+10	+20
QLD	Weak/Strong	+16	+26
SA	Weak/Strong	+23	+33
WA	Weak/Strong	+70	+68
TAS*	Weak/Strong	+46	+53
ACT	Weak/Strong	+46	+47
NT*	Weak/Strong	+25	+16

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20.

Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11.

* Indicates small base <50

BUSINESS CONDITIONS

What is your assessment of current business conditions in the industry your primary directorship is in?

INDUSTRY	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
Accommodation and Food Services	Weak/Strong	-41*	-22*
Administrative and Support Services	Weak/Strong	+35*	+60*
Agriculture, Forestry and Fishing	Weak/Strong	+59	+78
Arts and Recreational Services	Weak/Strong	-45*	-32*
Construction	Weak/Strong	+38	+55
Education and Training	Weak/Strong	+18	-1
Electricity, Gas and Water	Weak/Strong	+64*	+55
Financial and Insurance Services	Weak/Strong	+57	+51
Healthcare and Social Assistance	Weak/Strong	-2	+14
Information Media and Telecommunications	Weak/Strong	+55	+65
Manufacturing	Weak/Strong	+17	+42
Mining	Weak/Strong	+87	+89
Professional, Scientific and Technical Services	Weak/Strong	+63	+61
Public Administration and Safety	Weak/Strong	+14*	+34*
Rental, Hiring and Real Estate Services	Weak/Strong	+39*	+78*
Retail Trade	Weak/Strong	+34*	+31*
Transport, Postal and Warehousing	Weak/Strong	+53*	N/A
Wholesale Trade	Weak/Strong	+12*	N/A
Other Services	Weak/Strong	+28	+26
Other Sector	Weak/Strong	+11	+37

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. Base: AICD Directors 2nd Half 2021 18+; n=1,645.

* Indicates small base <50 for specific wave.

BUSINESS CONDITIONS

What is your assessment of business conditions over the next 12 months in the industry your primary directorship is in?

INDUSTRY	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
Accommodation and Food Services	Weak/Strong	-11*	+30*
Administrative and Support Services	Weak/Strong	+46*	+51*
Agriculture, Forestry and Fishing	Weak/Strong	+56	+79
Arts and Recreational Services	Weak/Strong	-25*	+3*
Construction	Weak/Strong	+46	+64
Education and Training	Weak/Strong	+31	+19
Electricity, Gas and Water	Weak/Strong	+70*	+67
Financial and Insurance Services	Weak/Strong	+57	+54
Healthcare and Social Assistance	Weak/Strong	+2	+22
Information Media and Telecommunications	Weak/Strong	+57	+86
Manufacturing	Weak/Strong	+29	+55
Mining	Weak/Strong	+86	+86
Professional, Scientific and Technical Services	Weak/Strong	+63	+72
Public Administration and Safety	Weak/Strong	+20*	+57*
Rental, Hiring and Real Estate Services	Weak/Strong	+53*	+74*
Retail Trade	Weak/Strong	+21*	+54*
Transport, Postal and Warehousing	Weak/Strong	+61*	N/A
Wholesale Trade	Weak/Strong	+22*	N/A
Other Services	Weak/Strong	+30	+42
Other Sector	Weak/Strong	+24	+43

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. Base: AICD Directors 2nd Half 2021 18+; n=1,645.

* Indicates small base <50 for specific wave.

BUSINESS CONDITIONS

To what extent, if any, do you expect the following conditions to change over the next 12 months within your business?

STATE	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
Investment Levels	Decrease/Increase	+36	+54
Staffing Levels / Labour Demands	Decrease/Increase	+57	+60
Wage Levels	Decrease/Increase	+72	+67
Costs (e.g. raw materials, energy)	Decrease/Increase	+89	+83
Turnover / Sales	Decrease/Increase	+56	+66
Profitability	Decrease/Increase	+15	+32

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. Base: AICD Directors 2nd Half 2021 18+; n=1,645.

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To what extent do you agree or disagree that the state government where your primary directorship is based understands business?

STATE	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
NSW	Disagree/Agree	+29	+61
VIC	Disagree/Agree	-23	-22
QLD	Disagree/Agree	-40	-40
SA	Disagree/Agree	+39	+22
WA	Disagree/Agree	+11	+13
TAS*	Disagree/Agree	+45	+54
ACT	Disagree/Agree	+4	+11
NT*	Disagree/Agree	-46	-26

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20.

Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11.

* Indicates small base <50

To what extent do you agree or disagree that you trust the state government where your primary directorship is based?

STATE	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
NSW	Disagree/Agree	-1	+34
VIC	Disagree/Agree	-19	-23
QLD	Disagree/Agree	-45	-42
SA	Disagree/Agree	+28	+24
WA	Disagree/Agree	0	+2
TAS*	Disagree/Agree	+26	+68
ACT	Disagree/Agree	+2	+33
NT*	Disagree/Agree	-35	-24

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20.

Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11.

* Indicates small base <50

How positively or negatively do your state's current fiscal policy settings affect your business?

STATE	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
NSW	Negative/Positive	-7	+14
VIC	Negative/Positive	-24	-28
QLD	Negative/Positive	-33	-34
SA	Negative/Positive	-3	+5
WA	Negative/Positive	-12	0
TAS*	Negative/Positive	+15	+39
ACT	Negative/Positive	-5	-12
NT*	Negative/Positive	-32	-18

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20.

Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11.

* Indicates small base <50

To what extent would the following policies impact your board to have a greater focus on strategy and growth?

INDICATOR	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
Reduction or harmonisation of overlapping state and federal regulatory obligations	No/Major Impact	+43	N/A
Reform to director liability settings	No/Major Impact	+4	N/A
Reform to insolvency law	No/Major Impact	-36	N/A
Greater long-term policy certainty	No/Major Impact	+70	N/A
Taxation reform	No/Major Impact	+10	N/A
Further reporting and disclosure reform	No/Major Impact	+15	N/A
Greater clarity or guidance from Australia's key economic regulators on expectations for companies and boards in meeting key obligations	No/Major Impact	+23	N/A

What is the estimate of the % of your board's discussion and consideration on...	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
Strategy and growth	45%	N/A
Risk and compliance	55%	N/A

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.
 Base: AICD Directors 1st Half 2022 18+; n=1,737. Base: AICD Directors 2nd Half 2021 18+; n=1,645.
 Note: Additional response options impact comparability with previous wave.

In your opinion, what are the top 3 challenges your board faces in recruiting new directors?

In your opinion, what are the top 3 challenges your board faces in recruiting new directors?		
ISSUES	1st HALF 2022*	2nd HALF 2021*
Lack of appropriate skills in potential candidates	59%	N/A
Expected time commitment	50%	N/A
Legal and compliance burden	44%	N/A
Meeting board diversity requirements	39%	N/A
Threat of liability	31%	N/A
Level of director fees	26%	N/A
Level of public and/or industry scrutiny	21%	N/A

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. Base: AICD Directors 2nd Half 2021 18+; n=1,645.

Note: Additional response options impact comparability with previous wave. *Percentage of respondents who nominated this as a top 3 issue.

In your opinion, what are the top 3 issues the Federal Government should address in the short term (next 3 years) and longer term (next 10-20 years)?

ISSUES	1st HALF 2022 SHORT-TERM*	2nd HALF 2021 SHORT-TERM*	1st HALF 2022 LONG-TERM*	2nd HALF 2021 LONG-TERM*
Climate change	39%	48%	50%	59%
Lack of skills in workforce / skills shortages	36%	41%	18%	18%
Energy policy	24%	27%	20%	22%
Taxation reform	21%	26%	14%	20%
Productivity growth	20%	23%	18%	22%
Housing affordability / housing supply	19%	22%	14%	15%
Australia-China relationship	18%	N/A	14%	N/A
Innovation policy / barriers to innovation	17%	N/A	17%	N/A
Education	16%	17%	18%	20%
Health	16%	17%	15%	16%
Ageing population	15%	12%	25%	26%
Infrastructure	14%	15%	16%	18%
International competitiveness	12%	20%	21%	27%
Federal budget deficit	11%	14%	15%	18%
Defence	10%	N/A	11%	N/A

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. Base: AICD Directors 2nd Half 2021 18+; n=1,645.

Note: Additional response options impact comparability with previous wave. *Percentage of respondents who nominated this as a top 3 issue.

What are the top 3 issues most likely to “keep you awake at night” as a director on your board?

ISSUES	1st HALF 2022 % OF TOTAL MENTIONS*	2nd HALF 2021 % OF TOTAL MENTIONS
Cyber-crime / data security	43%	41%
Global economic conditions	28%	24%
Labour shortages	28%	N/A
Structural change/changing business models	27%	36%
Legal and regulatory compliance	26%	34%
Attracting new talent	24%	28%
Corporate culture	22%	20%
Climate change	20%	19%
CEO succession	19%	20%
Impacts of COVID-19	19%	30%
Changing stakeholder expectations	17%	12%
Level of personal liability for directors	14%	21%
Other	3%	4%
Sexual harassment in the workplace	3%	4%
None	2%	1%
OH&S	1%	N/A
Geopolitics	1%	N/A

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. Base: AICD Directors 2nd Half 2021 18+; n=1,645.

*Note: Additional response options impact comparability with previous wave.

To what extent do you agree or disagree with the following statements...?

ISSUES	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
Sufficient oversight of cyber security threats to our organisation	Disagree/Agree	+22	+26
Climate change is a material risk to my organisation	Disagree/Agree	+20	+22
Organisation affected by labour market issues	Disagree/Agree	+54	+45
Sufficient oversight of organisation culture	Disagree/Agree	+63	+62
A federal anti-corruption watchdog should be established to oversee government integrity	Disagree/Agree	+62	N/A
My board has an appropriate digital/technology strategy and agenda	Disagree/Agree	+32	N/A

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. Base: AICD Directors 2nd Half 2021 18+; n=1,645.

How much do you agree or disagree that your board is currently seeking to increase diversity in the following areas?

AREAS	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
Gender	Disagree/Agree	+36	+38
Age	Disagree/Agree	+18	+18
Skills	Disagree/Agree	+66	+66
Ethnicity	Disagree/Agree	+20	+15
Digital capability / technology	Disagree/Agree	+44	+45

What is the one most important issue that your vote will be based on in the upcoming Federal election?

ISSUES	1st HALF 2022	2nd HALF 2021
Economy/ Economic management and performance	14%	N/A
Climate change	13%	N/A
Leadership/ future direction of Australia/ long-term policy	9%	N/A
Government integrity/ trustworthiness	6%	N/A
Health/ healthcare/ disability/ NDIS funding and management	6%	N/A
Taxation/ lower taxes	6%	N/A
Employment/ skills development/ increase migration	5%	N/A
Pro-business policy/ reduction in bureaucratic red-tape	4%	N/A
Energy policy	4%	N/A
Education	3%	N/A

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. Base: AICD Directors 2nd Half 2021 18+; n=1,645.

Top 10 issues included.

How would you rate the impact of flexible working arrangements such as working remotely / from home in your organisation, in terms of...?

AREAS	SCALE	1st HALF 2022 NET BALANCE	2nd HALF 2021 NET BALANCE
Staff health and wellbeing	Negative/Positive	+34	+29
Staff retention	Negative/Positive	+46	+46
Attracting new staff	Negative/Positive	+44	+40
Reducing business overhead costs	Negative/Positive	+32	+41
Staff productivity	Negative/Positive	+17	+22
Organisational culture	Negative/Positive	-13	-10
Innovation	Negative/Positive	-7	-3
Cyber-security	Negative/Positive	-39	-38

To date, what have been the 3 most significant regulatory challenges facing your organisation as a result of COVID-19

ISSUES	1st HALF 2022*	2nd HALF 2021*
Complying with employment and Workplace Health & Safety laws	73%	N/A
Industry specific regulation	62%	N/A
Managing financial reporting obligations including deadlines	40%	N/A
Holding an AGM given social distancing restrictions	26%	N/A
Complying with continuous disclosure obligations	22%	N/A
My organisation has faced no major regulatory challenges	14%	N/A
Managing insolvent trading risks	14%	N/A

The effects of the pandemic have made my organisation...

ISSUES	1st HALF 2022	2nd HALF 2021
A lot more risk averse	4%	N/A
Somewhat more risk averse	28%	N/A
No change related to risk	44%	N/A
Somewhat more risk taking	21%	N/A
A lot more risk taking	3%	N/A

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2022.

Base: AICD Directors 1st Half 2022 18+; n=1,737. Base: AICD Directors 2nd Half 2021 18+; n=1,645.

*Note: Questions not asked in previous wave. Percentage of respondents who nominated this as a top 3 issue.



THANK YOU



**ROY
MORGAN**

David Laffin
Research Director
(03) 9224 5341

David.Laffin@roymorgan.com

David Gacs
Project Director
(03) 9629 6888

David.Gacs@roymorgan.com

