
Australian Institute of Company Directors

Corporate profile

Australia's pre-eminent organisation for directors, dedicated to making a difference to the quality of governance and directorship

*WE PROVIDE LEADERSHIP ON
DIRECTOR ISSUES AND PROMOTE
EXCELLENCE IN GOVERNANCE*

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Australian Institute of Company Directors
Level 2, 255 George Street
Sydney NSW 2000
Tel: +61 8248 6600
Fax: +61 8248 6633
www.companydirectors.com.au

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Australian Institute of Company Directors

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Australian Institute of Company Directors

Welcome

Welcome to the Australian Institute of Company Directors. We are Australia's leading member institute for directors and the leading Australian not-for-profit corporate governance organisation.

We have more than 27,000 members that include directors from organisations as diverse as ASX-listed companies, government bodies, not-for-profit organisations, charities, and family owned/private companies and entrepreneurial ventures. In 2009/2010 we held 846 events and courses that were attended by a total of 40,530 members and non-members.

The following pages describe our expertise, our key role in the professional development of directors in Australia and our comprehensive contribution to governance thought in Australia. We are a disciplined and dynamic organisation committed to maintaining high ethical standards and to increasing our specialised knowledge. Our mission and vision remain at the forefront of everything we do.

Our mission:

The Australian Institute of Company Directors is Australia's pre-eminent organisation for directors, dedicated to making a difference to the quality of governance and directorship.

Our vision:

Providing leadership on director issues and promoting excellence in governance to achieve a positive impact for the economy and society.

As you review this profile and obtain a better understanding of our role and work, we invite you to consider how you could be involved. Our contact details are listed at the end of this booklet.

For more information about us, visit our website www.companydirectors.com.au

We look forward to introducing you to the Australian Institute of Company Directors.



John H.C. Colvin FAICD

Chief Executive Officer and Managing Director

Australian Institute of Company Directors

About us

Early beginnings

The beginnings of the Australian Institute of Company Directors can be traced back to the United Kingdom's Institute of Directors (IoD), formed by Royal Charter in 1906. Branches of the IoD appeared in the Australian states in the 1960s. These branches were amalgamated in January 1971 under the Institute of Directors in Australia, an autonomous body affiliated with the IoD in the United Kingdom. The challenge of servicing state branches saw the emergence of the Company Directors Association of Australia in 1982. The two bodies merged on 1 January 1990 to form the Australian Institute of Company Directors.

Current goals

Since these early beginnings, we have developed as an organisation recognised for quality and professionalism. Our goals include:

- to be the centre for governance and directors
- to be the voice of governance and directorship in Australia.

We continue to be the leading provider of director education and development in Australia. We strive to lead and demonstrate the value of excellence in governance and to enrich the practice of organisational governance.

Organisational structure

We are a national organisation with seven state divisions each of which is represented on a National Board. Overall governance is by the National Board that consists of twelve directors.

There are four national directors, one of whom is the chairman, and seven division representatives. The division representatives on the board appoint the chairman and national directors after each annual general meeting.

The chief executive officer may be appointed managing director by resolution of the board. Profiles of our board members and the procedure for appointing directors can be found on our website.¹

We have a national office in Sydney, Australia, with offices in all Australian states and in the ACT. Members are served by their state division and a state division manager, and that office reports to the national office on the effective running of the division. Each division has a Council of up to 10 representatives elected by members from that state.

Our national office is structured to support our state divisions. It delivers core education courses and events, develops policy on director issues, publishes the *Company Director* magazine and good practice texts for directors, and represents the views of members nationally.

In its supportive role, the national office is divided into five departments: Director and Board Development, Marketing, Policy, Communications, and Operations.

Membership

We have more than 27,000 members. Our members include directors from such diverse organisations as ASX listed companies, government departments, charities, universities, schools, agricultural co-operatives and entrepreneurial ventures. For companies in the ASX 200, 93% have at least one director that is a member and 68% of ASX 200 Chairmen are members.

Membership provides access to valued professional support, independent strategic briefings, quality professional development and a range of connections designed to enhance the careers of directors and the effectiveness of boards.

We have four categories of membership: Affiliate, Member, Graduate Member and Fellow, prescribed in our bylaws. Entry into each category is dependent upon experience. A copy of our bylaws is available on our website.²

The eligibility criteria for each membership category and the applicable post nominals for each level of membership are summarised below.

- Affiliate (AAICD)

Entry to the category of Affiliate can be by application by people who:

- are interested in the affairs of the Australian Institute of Company Directors and aspire to become full members but do not meet the full membership requirements or desire to enrol in the Company Directors Course; or
- are full time students at a tertiary institution.

¹ <http://www.companydirectors.com.au>

² <http://www.companydirectors.com.au>

Australian Institute of Company Directors

About us

- Member (MAICD)

Entry to the category of Member can be by application by people with two or more years' experience as a director or alternate director of a company. Alternatively, a person may apply to be a Member if they are:

- a senior executive with managerial responsibilities equivalent to those of an executive director or a member of local boards of advice of companies;
- a partner or sole proprietor of a professional practice (for example, accountants, architects, solicitors, stockbrokers) or unincorporated business; or
- academic personnel at the level of, or equivalent to, professor (heads of appropriate faculties in technical colleges are included under this category).

- Graduate Member (GAICD)

Entry to the category of Graduate Member can be by application by people who meet the criteria for a member and who have passed our Company Directors Course Diploma examination or an equivalent course, but do not yet qualify as a Fellow.

- Fellow (FAICD)

A Fellow is an appropriately qualified and/or experienced director of one or more entities that carry on business activities under the leadership of a CEO who reports to a board of directors that meets regularly and functions under appropriate corporate governance principles.

Entry to the category of Fellow is by one of three methods: the standard method, by special exemption or by invitation.

Standard method

Applicants for admission to the category of Fellow will be admitted provided that the membership committee is satisfied that they are fit and proper persons and meet the following criteria. They:

- have completed the Company Directors Course or equivalent courses determined by the Australian Institute of Company Directors' board and passed all required assessments;
- have had 5 years' experience as a director of a significant company, government business enterprise, or not-for-profit entity; or
- have had 5 years' experience as a senior executive accountable to the board of a significant company, government business enterprise, or other corporate business undertaking; or
- are an appropriately qualified and experienced public servant in the position of Head of Department, Secretary in a government department, or equivalent senior role who practises and has a high degree of familiarity with, appropriate governance principles in the carrying out of her/his function or role.

For the purposes of these criteria, a "significant company" means an incorporated business with turnover in excess of twenty million dollars (AUD) or 100 or more employees. Non-trading family investment companies, sole director companies and small consultancies do not qualify. To be taken into account, government business enterprises and other corporate business undertakings (such as schools, charities or associations) should have comparable standards of corporate governance to the "significant company" above.

To ensure the suitability of the applicant from a professional and ethical point of view as a director, two references from referees who are Fellows of the Australian Institute of Company Directors must be obtained.

Concurrent directorships may not be added together in determining years of experience.

By special exemption

Applicants for admission to the category of Fellow by special exemption are admitted if the membership committee is satisfied that they are fit and proper persons and have had, at least ten (10) years experience as a director of:

- one or more listed public companies; or
- a company, government business enterprise or not-for-profit organisation with a turnover in excess of twenty (20) million dollars (AUD) and/or one hundred (100) employees. Non-trading family investment companies, sole director companies and small consultancies do not qualify.

To ensure the suitability of the applicant from a professional and ethical point of view as a director, two references from referees who are Fellows of the Australian Institute of Company Directors must be obtained.

Concurrent directorships may not be added together in determining years of experience.

By special invitation

Our board may, at anytime by resolution, invite a person to become a Fellow, and admit such a person as a Fellow on the grounds of expertise, experience of standing although they have not satisfied the prescribed conditions of admission.

- Life Fellows

Our board may appoint a Fellow who has been eminent in the field of directorship and who has provided distinguished service to us, as a Life Fellow.

Australian Institute of Company Directors

Centre for governance and directors

The Australian Institute of Company Directors is focused on enriching the practice of organisational governance. Through our director and board development programs and our professional development initiatives, we are an active centre for governance and directors.

Director and Board Development

We believe that the ability to make an appropriate contribution as a director is enhanced by maintaining currency of knowledge and learning from the experience of others. In 2009/2010, 8,352 directors and aspiring directors attended a formal education course conducted by us. By providing a powerful series of educational and professional development programs, we provide directors and organisations with informed answers to tough questions by educating them about the issues that matter.

We offer a range of director and board development courses to ensure that directors with diverse levels of experience have training that meets their needs. Every course in our portfolio is accompanied by annually updated materials that use case studies and real-life examples. Some programs are available by distance education and e-learning.

- Education philosophy

Our assurance to directors is that we will provide director and board development programs that:

- address directors' current needs
- reflect contemporary thinking and practice
- are developed for directors by directors
- include practical examples
- are easily accessible
- provide useful tools and "take-aways" that are immediately useful
- promote high ethical standards.

Our expert and advisory groups include a National Education Advisory Committee.

- Our courses

We are well placed to support the educational needs of directors across Australia and internationally. In 2009/2010 we conducted 466 courses (up from 419 in 2008/2009). In recent years we have expanded our service delivery to Australia's regional areas and international trade hubs. Since 1998, we have also had a license agreement with the Thai Institute of Directors facilitating their delivery of a director education program modelled on our flagship Company Directors Course.

In 2009/2010, 2,844 participants attended the Company Directors Course and the International Company Directors Course. In 2009/2010 our courses were prepared by 48 writers and reviewed by 61 experts. Around Australia and internationally our courses were conducted by 155 accredited facilitators.

The full suite of our director education and board development courses are set out on pages 9 – 11. Further information about our course portfolio can be obtained from our *Education Handbook*.³

- In-Boardroom

In addition to the Company Directors Course and our other education programs for individual directors, we offer development programs to boards across Australia and internationally. We work in confidence with boards, assist in determining the board's priorities, select the most appropriate program to meet the organisation's needs and focus delivery and discussions to meet customised outcomes.

“ Clear, concise explanations of the duties and responsibilities of directors. The course dealt very well with practical aspects of operating as a director and collectively as a board. ”

Company Directors Course feedback:

Peter May MAICD

GBM Resources

³ <http://www.companydirectors.com.au>

Australian Institute of Company Directors

Centre for governance and directors

- Indigenous Governance Program

We offer an Indigenous Governance Program of six courses developed and piloted in Australia with funding from Indigenous Business Australia. In June 2009, we partnered with the Federal Department of Education, Employment and Workplace Relations (DEEWR) to deliver a Company Directors Course for Indigenous business leaders, with 21 identified leaders from around Australia attending the program. In June 2010, we signed an agreement with Agricultural Management Company to extend the reach of the Indigenous Governance Program to remote and regional areas.

- Scholarships

In 2009/2010 we offered scholarships for directors to attend the International Company Directors Course, Company Directors Course and other programs. As examples, scholarships were offered to rural groups and women and we partnered with the Australian Scholarships Foundation to offer scholarships to directors of not-for-profit organisations.

We are a founding member of the Global Director Development Circle (GDDC), a network of leading institutes of directors from around the world. Membership provides us with opportunities to benchmark offerings and ensures they are world class for format and delivery methodology. For further information refer to www.globaldirectors.org.

- Assessment

Participants in the *Foundations of Directorship*, *Company Directors Course*, *International Company Directors Course* and *Mastering the Boardroom* who seek recognition may complete optional assessment tasks.

Assessment consists of:

Foundations of Directorship	One online examination consisting of multiple choice questions
Company Directors Course and International Company Directors Course	One written assignment and one online examination consisting of both multiple choice and short answer questions
Mastering the Boardroom	A group presentation during the course and one individual written assignment

Members who successfully complete assessment tasks for the Company Directors Course and International Company Directors Course can use the post nominals GAICD.

Our assessment markers are practising directors with extensive backgrounds in assessing adult learning.

- Facilitators

We undertake a rigorous process in the selection and management of facilitators across the portfolio. Our facilitators have formal qualifications and experience in the subject area; have undertaken corporate governance development; hold directorships (or work closely with a variety of boards); and have experience in facilitating. Facilitators are evaluated by participants at the end of each session they deliver. Ongoing support and development opportunities are offered to facilitators to assist them in maintaining the required minimum participant evaluation rating of 82 per cent.

“ I attribute the success of the Australian Institute of Company Directors' director and board development courses to a number of factors but surely one of the most vital long term differentiators is its control over the quality of the curriculum and the trainers.”

David Beatty

Institute of Corporate Directors
Canada

Australian Institute of Company Directors

Course portfolio

Course	Time commitment	Purpose
Foundations of Directorship	25 hours incl assessment	Creating awareness of governance and director issues
Sessions cover:		
- The Role of the Director and the Board	3.5 hours	
- Introduction to Board Meetings and Governance	3.5 hours	
- Introduction to Financial Information for Directors	3.5 hours	
- Assessing Financial Performance for Directors	3.5 hours	
- Introduction to the Strategic Role of the Director	3.5 hours	
- Risk: Issues for Directors	3.5 hours	
Sector specific Foundations of Directorship		Focusing on issues which are sector or industry specific
Governance Essentials for the Public Sector	7 hours	
Sessions cover:		
- The Role of the Board and Board Members in Public Sector Organisations	3.5 hours	
- Board Operations in Public Sector Organisations	3.5 hours	
Governance Essentials for Local Government	14 hours	
Sessions cover :		
- The Role of the Council and the Councillor	3.5 hours	
- Risk: Issues for Councillors	3.5 hours	
- Leadership: The Councillor's Role	3.5 hours	
- Financial Information for Councillors	3.5 hours	
Small to Medium Enterprises	25 hours incl assessment	
Sessions cover :		
- Understanding the Role of the SME Director/ Business Owner	3.5 hours	
- Effective Board Governance for SMEs	3.5 hours	
- Understanding Financial Statements	3.5 hours	
- Assessing Financial Performance	3.5 hours	
- Strategic Planning for the SME Director / Business Owner	3.5 hours	
- Risk Management for the SME Director / Business Owner	3.5 hours	

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Course portfolio

Course	Time commitment	Purpose
Company Directors Course	110 hours (30 hours attendance plus reading and assessment tasks)	Comprehensive director development program
Modules cover:		
- The Role of the Board and the Practice of Directorship	3.0 hours	
- Directors' Duties and Responsibilities	3.0 hours	
- Risk: Issues for Boards	3.0 hours	
- Strategy: The Board's Role	3.0 hours	
- Financial Literacy for Directors	3.0 hours	
- Driving Financial Performance	3.0 hours	
- The Board's Legal Environment	3.0 hours	
- Decision Making	3.0 hours	
- Achieving Board Effectiveness	3.0 hours	
- Learning into Practice	3.0 hours	
Company Directors Course Update	14 hours	
International Company Directors Course (Current until May 2011, when a new course will be released):	110 hours	Directing in a global context
Modules cover:		
- The Role of the Board and the Practice of Directorship in the Global Context	3.0 hours	
- Directors' Duties and Responsibilities Across Regulatory Frameworks	3.0 hours	
- Risk: Issues for Boards	3.0 hours	
- Strategy: The Board's Role in the International Context	3.0 hours	
- Financial Literacy for Directors	3.0 hours	
- Driving Financial Performance	3.0 hours	
- The Board's Legal Environment in the Global Context	3.0 hours	
- Decision Making	3.0 hours	
- Achieving Board Effectiveness	3.0 hours	
- Learning into Practice	3.0 hours	
Mastering the Boardroom	60 hours	
An interactive, three-day, experiential learning residential for practising directors. Presented in three separate streams: listed companies, private companies, and government and related entities.	(40 hours of attendance plus post residential assessment task)	Developing mastery in directorship

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Course portfolio

Course	Time commitment	Purpose	
In-Focus			
The Board and the CEO	3.5 hours	Short, sharp, specific courses designed to increase directors skills on specific topics	
The Board and the Company Secretary	3.5 hours		
The Board's Role in Mergers and Acquisitions	7 hours		
Capital Raising	7 hours		
The Chairman	5 hours		
Committees at Work	3.5 hours		
Developing Your Director Career	3.5 hours		
Evaluating the Board	3.5 hours		
The Executive Director	7 hours		
Leadership in the Boardroom	3.5 hours		
The Listed Company Director	7 hours		
The Managing Director (New in 2011)	3.5 hours		
The Not-for-Profit Board	7 hours		
Reporting to the Board	3.5 hours		
The Strategic Board	7 hours		
Advanced Risk (New for 2011)	3.5 hours		
Advanced Finance (New in 2011)	7 hours		
In-Boardroom			
In addition to any of the courses listed on the previous page:			
The Executive Board	3.5 hours	Board development services that meet the specific needs of the client	
In the Boardroom: Responsibilities and Practice	3.5 hours		
Indigenous Governance Program	Time frame customised to geographic location		
Foundations of Directorship level (6 courses)			
Board Ready (New in 2011)	9 months		
e-Learning			
Conflicts of Interest	1.5 - 2.5 hours	Short practical sessions that provide directors with the opportunity to update their knowledge in a flexible and focused approach.	
Effective Board Meetings	1.5 - 2.5 hours		
Governance in Action	1.5 - 2.5 hours		
Interpreting Company Financial Statements	1.5 - 2.5 hours		
Managing Your Super Fund (New in 2011)	1.5 - 2.5 hours		
Reporting to the Board	1.5 - 2.5 hours		
The Role of the Board	1.5 - 2.5 hours		
The Role of the Director	1.5 - 2.5 hours		
			Courses can be accessed 24 hours per day, 7 days a week.

Australian Institute of Company Directors

Centre for governance and directors

Professional development

In addition to our formal director and board development courses, we enhance the professional development of directors by bringing directors together to exchange ideas, conducting professional development events, and providing access to comprehensive corporate governance resources and information.

- Events

In 2009/2010 we held 380 events attended by 32,178 participants. The types of events conducted by us include:

- Directors Briefings
- The ASX 200 Roundtable Series
- Luncheons with guest speakers
- Conferences
- The Essential Director Update

Each event is designed to inform directors and help directors make a difference in the quality of their governance and directorship skills. By bringing together directors, regulators, academics and governance experts, we facilitate professional development through the sharing of ideas and knowledge and through robust discussion about topical director and governance issues.

- Company Directors Conference (annual)

Each year our members meet together over a three-day period to hear from world class speakers on directorship and governance issues. In 2010, the conference theme, *Ahead of the Curve*, reflected the challenges faced by directors and the need to take advantage of emerging opportunities following the Global Financial Crisis.

Our annual conference brings together leading international experts who examine current trends in the economic and business environment and who provide valuable insights to directors on how to apply this information within their own companies. Local experts also attend the conference to share their views and experience with their peers. We carefully plan and prepare the content of the conference so that directors gain a fresh perspective on current and future boardroom trends.

“ Whether by formal education or through other professional development opportunities, we are committed to ensuring that directors’ knowledge of their duties, responsibilities and the environment within which they operate remain up-to-date. ”

John H.C. Colvin

Chief Executive Officer and Managing Director
Australian Institute of Company Directors

- Public Sector Governance Conference (annual)

In 2009 we hosted our inaugural two-day Public Sector Governance Conference. The conference focused on the structures, processes, cultures, and systems that engender the successful operation of organisations in achieving their stated objectives. The conference covered these aspects for the successful governance of public sector organisations.

The conference is relevant to employees and directors of Federal, state and territory government organisations, including departments, statutory authorities and government business enterprises, that have a contribution to the organisations’ governance. It is relevant for advisors and consultants to these organisations in areas of governance and for employees and directors of those organisations that are part owned by the Commonwealth Government or by state and territory governments.

A one-day Public Sector Governance Conference is to be held in October 2010.

Australian Institute of Company Directors

Centre for governance and directors

- Directors Briefings

In 2009/2010 we conducted 87 Directors Briefings across Australia that provided 6,498 attendees with comprehensive and up-to-date information on a range of topics.

Examples of the range of topics covered at Directors Briefings in 2009/2010 are set out below.

- A Reforming Health Care Sector
- Advanced Media Skills Workshop
- Approaches to Clinical Governance and Risk
- As a Director: How Do You Know The Numbers Are Right?
- ASIC v Rich: The Care Factor for Directors
- Avoiding the Disaster: Staying Informed
- Board Evaluations
- Board Performance: Composition, Diversity and Succession Plans
- Building an Effective Board and CEO Partnership
- Building Capacity Through Information Technology
- Business Essentials for Successful SMEs
- Capital Management for SMEs
- China's Investment Strategy in Australia
- Climate Change
- Contribution of the Not-for-Profit Sector
- Corporatising Your Family Business
- Delivering an IPO
- Directing in Challenging Times
- Directors' and Officers' (D&O) Insurance
- Directors' Obligations in the Current Economic Environment
- Directors' Toolkit – What's in it?
- Due Diligence in the Boardroom: Buy and Sell Side
- Duties of Directors and Committee Members in Small Businesses and Not-for-Profit organisations
- Executive Remuneration: Keeping On Top of the Changes
- Fair Work Act: Is Your Business Compliant?
- Fraud and Corruption Risks
- Funding Strategies and Your Risk Appetite
- How can Company Directors Obtain a Quality Audit?
- How to Manage Your Personal Reputation and Liability at Board Level
- Looking After Your Most Valuable Asset – IP?
- M&A Series: Deal Execution; Post Integration Strategy
- New Industrial Relations Regime: Key Issues for Directors
- Not-for-Profit Accounting and Reporting
- Not-for-Profit Fundraising
- NFPs Working Together: Consortiums, Collaborations and Acquisitions
- Improving Performance in Risk and Assurance
- Issues and Challenges for the NFP Sector
- OH&S: Issues for the Board
- Opening the Family Board to Non-Executive Directors (NEDs)
- Overseas Operations
- Role of the Non-Executive Director
- Social Media: Beyond the Hype
- SME Life Cycle: From Cottage to Corporate
- SME Strategies: Directing Growth
- Strategic Marketing in the Boardroom
- Strategies to Prosper in Tough Times
- Succession Planning
- Supply and Demand for Water
- Sustainability or Sheer Survival
- The Director Journey
- The James Hardie Case: What does it mean for Directors?
- Workforce Strategies in a Shrinking Market

“Our events provide the opportunity to meet with, and hear from, experienced directors in a range of industries...our events provide invaluable enriching and entertaining forms of networking and professional development.”

John H.C. Colvin

Chief Executive Officer and Managing Director
Australian Institute of Company Directors

Australian Institute of Company Directors

Centre for governance and directors

- ASX Roundtable Series

In recognition of the heightened scrutiny and the high level of complexity involved in the governance of leading Australian listed companies, we have developed an ASX200 Roundtables Series. The roundtables provide members who are directors of ASX200 companies with the opportunity to discuss with their peers the latest thinking and issues arising for Australian directors. The insights and information shared by directors also contributes to the development and direction of our policies and the guidance that it provides to the director community. Our policy development is discussed on pages 16 and 17 of this profile.

- The Essential Director Update

Every year we deliver a comprehensive 3-hour seminar on current issues affecting director responsibilities. The interactive seminar has a clear focus on the status and outcomes of recent legal cases, policy trends and the regulatory environment. The *Essential Director Update* is a free event for all members.

In 2010, the *Essential Director Update* will be held in Queensland, Tasmania, Victoria, South Australia, New South Wales, Western Australia, and the Australian Capital Territory. The program is attended by more than 2,200 members each year Australia-wide. Programs like the *Essential Director Update* highlight our commitment to being a centre for directors and to ensuring that directors' knowledge is up-to-date.

- Access to information and updates

We are committed to providing our members with access to information on issues that are important to the professional development of directors and to the boards on which they serve. Through a number of different formats, we keep directors abreast of directorship, governance and regulatory issues. In summary, we provide information through:

- a monthly magazine (*Company Director*);
- email (*The Boardroom Report, Director Alerts*);
- our website; and
- state newsletters.

Our members are also invited to contact us if they are seeking information on directorship or governance. In 2009/2010 our library received and responded to more than 380 member queries for governance or directorship information. We have a comprehensive library that assists in responding to member queries and in providing resources for our research initiatives and policy development. Our collection of directorship and corporate governance resources contains more than 4,750 records. In addition, our library has access to a network of libraries run by director institutes worldwide.



- Company Director Magazine

Company Director, our monthly magazine, is sent to all members. The magazine features interviews with leaders in Australian business and regular columns on current legal and business issues. *Company Director* is an invaluable resource that assists directors to keep in touch with the latest legal, economic, and strategic issues.

Previous articles from *Company Director* are available on our website.⁴

⁴ <http://www.companydirectors.com.au>

Australian Institute of Company Directors

Centre for governance and directors



- The Boardroom Report

The Boardroom Report is our fortnightly e-newsletter, covering breaking news and emerging issues relevant to directors. *The Boardroom Report* is another avenue by which we help to keep directors up-to-date with their professional responsibilities and with changes to the environment within which they operate. The report provides

commentary on current issues, informs directors about new regulatory requirements, and sets out the views of directors on a range of business issues. In 2009/2010, *The Boardroom Report* included approximately 125 articles on current issues such as board diversity, executive remuneration, reporting, regulation, mergers and acquisitions, IFRS for SMEs, guidance for directors and taxation.

- National Update and Director Alerts

We circulate the *National Update* to our members monthly. This email update provides directors with a list of upcoming professional development opportunities, informs directors briefly about national regulatory and policy developments, and provides links to podcasts of prominent speakers hosted by us. We also send a *Director Alert* to our members when significant events occur that affect the role of directors.

- Frequently asked questions

We maintain answers to frequently asked director questions on our website.⁵

Examples of topics included in this section are given below:

- Roles, Duties and Responsibilities
- Selection, Appointment and Remuneration
- Board Meetings
- Board Performance
- Financial Reporting

- Current topics

Our website also provides members with a suite of online information guides on current director and governance issues.⁶ At the time of writing, our online guides cover the following topics:

- Board Diversity
- Annual General Meetings
- Board Performance
- D&O Insurance
- Director Liability
- Director Share Trading
- Financial Reporting
- Insolvency
- OH&S
- Not for Profit Boards
- Director Remuneration
- Shareholder Engagement
- Public Sector

- State newsletters

We also distribute state newsletters to members. The newsletters share the insights, experiences and expertise of directors from a state-based perspective. The newsletters assist directors to remain informed about state-based initiatives, regulatory reforms, and professional development opportunities in their region.

⁵ <http://www.companydirectors.com.au>

⁶ <http://www.companydirectors.com.au>

Australian Institute of Company Directors

Voice of governance and directorship

The development of policy on issues of interest to directors is one of our core functions in serving our membership and in contributing to the improvement of the Australian economy and society. Through our expertise, representation, and guidance on key issues, we are the premier voice of governance and directorship in Australia.

Expertise

Our expertise in governance and directorship issues stems from the experience and knowledge of our policy team, our policy committees, forums, professional networks, and our members.

- Policy team

Our policy team develops policy on specific director and board-related issues and represents our members on these issues. Our objective is to ensure that governments develop an economic and regulatory environment in which businesses can flourish and compete internationally.

As good governance leads to economic prosperity, good practice in directorship, nationally and internationally, is continually being researched and developed by our policy team. Collectively, the team has high-level academic qualifications and professional backgrounds in law, economics, accounting, corporate and securities regulation, the public sector, business, and directorships. The extensive corporate governance experience of our policy advisors, gained from professional and academic careers in Australia and overseas, means our policy team is well-equipped to consider and develop sound policy and guidance on technical governance and directorship issues.

- Policy committees

In addition to our policy team, we harness further expertise through our national policy committees. The members of our policy committees include prominent directors, lawyers, accountants, auditors, and industry association representatives who either serve on, or advise boards, in their areas of expertise. By bringing together a range of experts, these working policy committees provide us with forums for “stress testing” and refining policy positions, identifying key issues, and developing guidance on a range of governance issues for directors.

Corporate Governance Committee

The Corporate Governance Committee is chaired by Kevin McCann AM FAICD, who is Chairman of Origin Energy and who holds a number of other senior board positions. The committee members include directors from a diverse range of companies who have a keen interest in corporate governance and improving board effectiveness. A list of the committee members is available on our website.⁷ The committee’s key objectives are to identify and to advocate for good practice in governance and directorship.

⁷ <http://www.companydirectors.com.au>

⁸ <http://www.companydirectors.com.au>

⁹ <http://www.companydirectors.com.au>

Law Committee

The Law Committee is chaired by Professor Bob Baxt AO FAICDLife, a partner of Freehills. The committee members include practising directors, partners of professional services firms, consultants and academics who specialise in advising boards on a range of legal issues, together with representatives of our division councils. The committee meets primarily to discuss aspects of corporations and business law that affects company directors. The Law Committee plays a pivotal role for reviewing and providing comments to the policy team on a range of draft legislation and regulations. A list of the committee members is available on our website.⁸

Reporting Committee

The Reporting Committee is chaired by Michael Coleman FAICD, KPMG’s Regional Leader - Asia Pacific Quality and Risk Management. The Reporting Committee is one of our longest serving policy committees and has been providing input to the policy team for almost 30 years. The focus of the Committee is on financial and other reporting issues affecting directors. The Reporting Committee comprises a mix of practising directors, experts from professional firms, and professional associations, chief financial officers and representatives from each Division Council. A list of the Reporting Committee members is available on our website.⁹

- Chairman’s Forum

In addition to our working policy committees, we bring together chairmen of Australia’s listed companies through our Chairman’s Forum. The Chairman’s Forum is chaired by Don Argus AC FAICD. Members of the Chairman’s Forum include:

Ms Elizabeth Bryan FAICD
Mr Michael Chaney AO FAICD
Mr Leigh Clifford AO
Mr John H C Colvin FAICD
Mr David Crawford AO FAICD
Mr Edward Evans AC MAICD
Mr David Gonski AC FAICDLife
Mr Mark Johnson AO FAICD
Mr Rick Lee FAICD
Ms Catherine Livingstone AO MAICD
Mr Peter Mason AM FAICD
Mr John Morschel FAICD
Dr John Schubert FAICD
Mr John Story FAICD
Mr James Strong AO FAICD

The objective of the Chairman’s Forum is to promote discussion on issues of importance to chairmen of major Australian listed companies and in doing so, provide input and feedback to our board and management. By listening to senior directors and gathering the views of chairmen of major Australian companies, we ensure that our policy development for listed company boards reflects the voice of directors.

Australian Institute of Company Directors

Voice of governance and directorship

- Members

We also obtain our governance and directorship expertise through our large membership base. Members regularly provide feedback and views on current or topical directorship issues, participate in research projects and taskforces conducted by us, and assist in the development of guidance or policy positions with our staff. At any given time within our organisation, a range of taskforces are underway that involve members of our policy committees and our wider membership base.

- Networks

In addition to our policy committees, we liaise with legislators, regulators and other stakeholder groups on issues affecting directors and boards.

Our day-to-day activities regularly cause us to be in contact with representatives from:

- The Department of Prime Minister and Cabinet
- Australian Prudential Regulation Authority (APRA)
- Federal Treasury
- Auditing and Assurance Standards Board
- Takeovers Panel
- IASB Standards Advisory Council
- ASX Corporate Governance Council
- Australian Securities and Investments Commission (ASIC)
- Australian Accounting Standards Board
- Standards Australia
- Financial Reporting Council (FRC)
- G100
- Productivity Commission
- Institutes of Directors – United Kingdom, New Zealand, Canada and others
- Law Council of Australia and Law Societies

- World Bank/International Finance Corporation/Global Corporate Governance Forum
- Business Coalition for Tax Reform (BCTR)
- Committee for Economic Development of Australia (CEDA)
- Corporations and Markets Advisory Committee (CAMAC)
- Global Director Development Circle (GDDC)
- International Corporate Governance Network (ICGN)
- Major Australian universities and some of the leading universities internationally (e.g. Sydney University, Melbourne University, University of New South Wales, University of Queensland, University of Western Australia, London School of Economics, Oxford, Yale)
- Institute of Chartered Accountants, Australia
- CPA

Representation

We represent directors at all levels of enterprise, from the largest public, private, government, not-for-profit organisations and charities, to the family owner-operator, and those directors who may, in addition to a separate directorship, own their own SME. We provide a voice for directors by preparing submissions to government, giving evidence and appearing at public hearings, and by meeting with government ministers and representatives of regulatory bodies to discuss director-related issues. We are also regularly called upon as a commentator in the media on issues affecting directors.

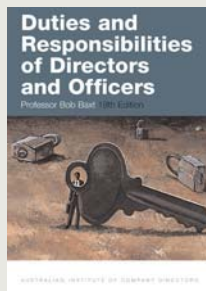
Each submission or paper is carefully researched and developed using our internal expertise and by consulting with our policy committees, members, or external networks. In 2009/2010 we made 28 public submissions to government and regulatory bodies. Our representatives also spoke at two public hearings of the Senate Economics Committee, while in June 2010 we issued a substantial Position Paper on Remunerations Reports.

Australian Institute of Company Directors

Voice of governance and directorship

Publications and guidance

The Australian Institute of Company Directors consistently monitors trends in governance and directorship issues. Through extensive research and by harnessing expertise drawn from sources internal and external to the organisation, we continually release a range of publications and guidance to assist directors in the performance of their day-to-day duties. Our publications and guidance show our commitment to being the voice of governance and directorship in Australia. Examples of our publications and guidance, many of which are provided free of charge to our members, are set out below.



- Duties and Responsibilities of Directors and Officers, 19th edition

Each new member receives a copy of *Duties and Responsibilities of Directors and Officers*, the comprehensive text written by Professor Bob Baxt AO FAICDLife. In 2009, every member received a free electronic version of the 19th edition. By making such resources available to members, we are committed to keeping directors updated on their evolving duties and responsibilities.



- New Corporate Governance Recommendations on Diversity: Tips for getting started

On 30 June 2010, the ASX Corporate Governance Council introduced a number of changes to its *Corporate Governance Principles and Recommendations* including three new recommendations and other amendments relating to diversity. This publication, released in July 2010, explains

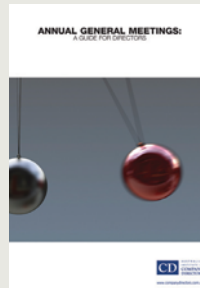
the changes and provides some practical tips to help ASX-listed entities to get started on embedding diversity within the culture of their organisation.



- Chairman of the Board: A Role in the Spotlight

The role of Chairman is demanding and exposed, requiring skill and diplomacy. The aim of this work is twofold: it provides an overview of chairmanship as practised in Australia today and it touches on current issues that are shaping the way in which chairmanship is evolving in Australia. For aspiring or incumbent chairman, *Chairman*

of the Board: A Role in the Spotlight offers views on how to balance this role with confidence. For readers, it offers a contemporary introduction to chairmanship in Australia.



- Annual General Meetings: A Guide for Directors

Annual General Meetings is a procedural guide for directors. It clearly and succinctly sets out the steps required to prepare for, convene and conduct an efficient and effective AGM. For new directors this guide is a useful introduction to AGM procedure and a starting place for further inquiry on this topic. For more seasoned directors, this

booklet is a reminder of the procedural requirements. In 2009, this guide was released as an e-book free of charge to members.



- Underlying Profit: Principles for Reporting Non-statutory Profit Information

This publication is intended to encourage companies to provide, in a responsible and consistent manner, additional non-statutory information about underlying profit and to present this additional information in communications to the investment community in a table that shows and

explains adjustments made to the statutory profit. In 2009, these principles were made available to members free of charge.



- Going Concern: A Guide for Companies and Directors

This publication explains the concept of “going concern” and aims to assist company directors in performing, and reporting on, their going concern assessment. Going concern is a basic business concept which is also a fundamental principle underlying the preparation of the vast majority of annual reports and, in particular, the financial

reports, of Australian companies.



- Executive Remuneration: Guidelines for Listed Company Boards

A core part of a board’s activities involves appointing and managing the performance of an appropriate chief executive officer (CEO), and overseeing the appointment of other senior executives. The booklet articulates a set of guidelines to assist boards of publicly-listed companies when designing and negotiating remuneration

arrangements for CEOs and when assessing the basis on which other senior executives are appointed.

Australian Institute of Company Directors

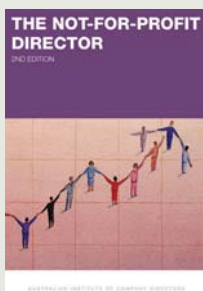
Voice of governance and directorship



- Evaluating Board Performance

High standards of corporate performance and governance benefit companies, the economy and the community. A critical element in achieving higher levels of performance is a continuing improvement in board performance and effectiveness. To ensure this is occurring, boards need to adopt a process of rigorous evaluation of their performance and that of their directors.

We prepared this guide to assist chairmen and directors to design and implement an effective and suitable evaluation approach. *Evaluating Board Performance* also assists in advising how directors can handle the reporting of the evaluation in a way that gives assurance to shareholders and investors that appropriate processes are in place, that these are effectively implemented, and that they are consistent with good corporate governance.



- The Not-for-Profit Director, 2nd edition

The subject of not-for-profit director covers a very broad field. The *Not-for-Profit Director*, 2nd edition, develops a context that provides directors with a perspective of the size and overall complexity of the subject. In a practical way, this book aims to provide the information necessary for directors to understand their roles and the issues in the NFP sector.

Australian Institute of Company Directors

Contact information

General enquiries

t: 1300 739 119

e: contact@companydirectors.com.au

Overseas enquiries

Overseas Member Relations Executive
PO Box 7050

Cloisters Square WA 6850

t: +61 8 9320 1706

e: overseas@companydirectors.com.au

National Office

Level 2, 255 George Street
Sydney NSW 2000

t: 02 8248 6600

f: 02 8248 6633

e: contact@companydirectors.com.au

Australian Capital Territory

Level 3, 54 Marcus Clarke Street
Canberra ACT 2601

t: 02 6248 5954

f: 02 6248 8409

e: act@companydirectors.com.au

New South Wales

Level 1, 6 Bridge Street
Sydney NSW 2000

t: 02 9276 0000

f: 02 9252 5800

e: nsw@companydirectors.com.au

Queensland

Level 9, 40 Creek Street
Brisbane QLD 4000

t: 07 3222 5500

f: 07 3012 8328

e: qld@companydirectors.com.au

South Australia/Northern Territory

Level 8, 70 Pirie Street
Adelaide SA 5000

t: 08 8236 2800

f: 08 8236 2833

e: sa-nt@companydirectors.com.au

Tasmania

Level 1, 198 Sandy Bay Road
Sandy Bay, Hobart TAS 7005

t: 03 6224 0559

f: 03 6223 1468

e: tas@companydirectors.com.au

Victoria

Level 21, North Tower
459 Collins Street
Melbourne VIC 3000

t: 03 9211 9255

f: 03 9211 9266

e: vic@companydirectors.com.au

Western Australia

Mezzanine Level
190 St George Terrace
Perth WA 6000

t: 08 9320 1700

f: 08 9322 6545

e: wa@companydirectors.com.au