Making a difference

AICD Annual Review 2008/09
About AICD

The Australian Institute of Company Directors (AICD) is Australia’s only member institute for directors and the leading not-for-profit corporate governance organisation. As of 30 June 2009, there were just under 25,000 members.

AICD members include directors and board members of organisations as diverse as ASX-listed companies, government departments, charities, universities, schools, agricultural co-operatives, as well as the owners of family companies and entrepreneurial ventures.

With offices in all Australian states as well as in Canberra, AICD supports directors across Australia and internationally. In recent years, AICD has also made a concerted effort to expand its service delivery to Australia’s regional areas and international trade hubs, including Hong Kong, Singapore and Dubai.

ASPIRATION: “A greater international focus: more involvement in key decisions that affect the director community globally”
Paramjit Kaur, Member Relations Executive, NSW

Our Reach: Expanding our service delivery in Australia’s regional hubs and internationally
About this report

The AICD Annual Review is an overview of our performance for the 2008/09 financial year. It is designed to support AICD's Financial Report, which is available on our website at: www.companydirectors.com.au and in hard-copy by request.

In publishing this review within Company Director, we are minimising the cost of posting the report to our membership. It is also available for download in PDF format from the website, as are the annual reports from previous years.

Cover image: Sonia Romeo, Victoria Division
Below image: L-R: Kristen Graham, Ferdi Fourie and Elizabeth McLaughlin, Western Australia Division

Mission

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

Goals 2009-2012

TO BE THE VOICE OF GOVERNANCE AND DIRECTORSHIP IN AUSTRALIA
Lead and demonstrate the value of excellence in governance

TO BE THE CENTRE FOR GOVERNANCE AND DIRECTORS
Enrich the practice of organisational governance

TO BE A PLACE WHERE PEOPLE WANT TO WORK
Build the capacity to contribute and make a difference

Vision

Providing leadership on director issues and promoting excellence in governance to achieve a positive impact for the economy and society
Report from the Chairman and the CEO

It has been a demanding year for directors, and for AICD. The difficult business environment, the economic pressures and the regulatory changes sparked by the global financial crisis have thrown up enormous challenges for directors. A key part of AICD’s role is to assist directors to deal with these ongoing challenges and to contribute to maintaining the highest standards of governance.

In times like these, the role of directors as stewards of their organisations is more crucial than ever, but it is also under even more intense scrutiny from shareholders, the media, regulators and government.

The skill and professionalism with which directors carry out that role, how well they cope with that scrutiny and how effectively they can influence policy outcomes, including in areas like the proliferating crop of proposals for increased regulation, is vitally important.

It is in these areas, and many others, that AICD can provide leadership, education and support, whether you are the director of a major corporation, a private company, small business, a not-for-profit or in the public sector.

No other organisation better represents the interests of professional directors in these difficult and challenging times than AICD.

MEMBERSHIP

Despite the difficult economic climate, AICD membership continued to grow strongly around Australia in 2008/09. Overall, membership was up five per cent to almost 25,000, with the retention rate remaining high at 88.7 per cent and membership revenue rising 10.7 per cent.

Growth in membership was particularly strong in South Australia/Northern Territory, rising 6.8 per cent, and in Western Australia, up 6.6 per cent.

DIRECTOR AND BOARD DEVELOPMENT

There was continued expansion in the demand for AICD’s Director and Board Development programs. Overall revenue from courses rose 21 per cent, contributing significantly to AICD’s operating result.

Among the highlights was the continued success of the Company Directors Course (CDC), with 2,383 public program participants – an increase of 17 per cent on 2008 – and 2,599 (an increase of 16 per cent) when In-Boardroom programs and the International Company Directors Course (ICDC), held this year in Singapore and Dubai, are included. Overall, CDC revenue rose 25 per cent in 2008/09.

Six customised Indigenous Governance In-Boardroom courses, for directors on boards of Indigenous corporations, were completed. AICD’s Queensland Division also partnered with the Federal Department of Education, Employment and Workplace Relations (DEEWR) to conduct the first Company Directors Course for Indigenous business leaders in June.

EVENTS AND MEMBER SERVICES

The growing number of people who attended the array of events staged by AICD around Australia in 2008/09 highlights both the support we received from members and the broader community as well as the attractiveness and relevance of those events.

The total number of those attending some 741 events and courses, including members and non-members, was 39,066 – up eight per cent on last year and another record result. Revenue from events increased by over 10 per cent.

COMPANY DIRECTORS CONFERENCE

A highlight of the year was AICD’s 12th National Conference held in Cairns, Queensland, in June. The theme, Directorship: 09, Navigating Uncharted Waters, perfectly reflected the times.

The event attracted 334 delegates and 69 partners. An overall satisfaction rating of 87 per cent was a record for an AICD conference and once again the speakers and content of the conference sessions were very highly rated by participants.

Our next conference will be held in Christchurch, New Zealand in May 2010, the second time AICD has taken its premier event offshore. We hope you will join us there for what promises to be an even bigger and better conference.

FOCUS ON THE SME AND NOT-FOR-PROFIT SECTORS

AICD has been conducting a national ‘SME’ project, with the objective of assisting the directors of small and medium-sized enterprises (SMEs) to understand when to start thinking more seriously about governance or establishing a board. We are also seeking to develop a more supportive and relevant membership offering for directors of companies in the SME sector.

Initiatives that have already been piloted successfully include a series of SME briefings, with a particular focus on regional centres, refining some education programs to connect more effectively with the SME market and collation of SME-focused information.

We also recognise the important contribution that not-for-profit (NFP) organisations, whose directors form another significant proportion of our membership, make to Australia. Our Director and Board Development courses, state and regional events and various publications (including Company Director magazine) provide invaluable resources for these organisations.

DIRECTOR INITIATIVES

A number of other important director initiatives were pursued in 2008/09. For example, AICD’s ‘Directorship of the Future’ project reflects our commitment to shaping a strategic and long-term view of directorship and corporate governance.
The project has recently undertaken research into the history of directorship, taking a view of the last 25 years to understand the catalysts that have influenced corporate governance and directorship over that time. How they may continue to influence businesses, boards and directors is the ongoing focus for the project.

AICD has developed an ASX 200 roundtable series, with distinguished international and Australian speakers, to provide members who are directors of ASX 200 companies with the opportunity to discuss with their peers the latest thinking and issues arising for Australian directors. The insights from these roundtables are captured and included in information and guidance for the wider director community.

2008/09 also saw the formation of AICD’s ‘Chairman’s Forum’, which brought together initially 12 of the nation’s top chairmen (now 14) drawn largely from ASX 50 companies. The aim of the Forum is to promote discussion on issues of importance to chairmen of major listed companies and, in doing so, provide input to the AICD Board and management and help shape our policy positions and advocacy efforts.

POLICY AND ADVOCACY
The development and advocacy of policy is one of the core functions of AICD, both in serving our membership and contributing to the improvement of the Australian economy and society.

AICD has been very active this year in seeking to influence government and contributing to the policy debate across a range of issues of relevance to directors from all sectors.

There has been particular focus on the issues of executive remuneration, director liability and occupational health and safety legislation reform.

There have also been important policy contributions of value to members, providing information and guidance on issues like underlying profit reporting, going concern and planning and conducting annual general meetings.

COMMUNICATIONS
AICD has adopted a more strategic and proactive approach to the media and government relations, which has helped raise its profile as the ‘voice’ of directors in the public debate.

AICD’s principal communications with members, Company Director magazine and The Boardroom Report email newsletter, have also had successful years as we reflected the feedback from members by providing articles which appealed to a broader cross-section of members, particularly from the SME and NFP sectors.

FINANCIAL RESULT
Despite extremely difficult economic and market conditions, AICD achieved a rise in total revenue of 7.3 per cent to $33.1 million, a record, reflecting particularly the growth in demand for AICD courses.

The net operating result of $1.786 million was an excellent outcome given the economic conditions. This helped finance $1.05 million in cross-functional projects and cushioned the effect of the global financial crisis and worldwide downturn in investment markets, which saw AICD sustain an $0.835 million unrealised loss on its investment portfolio for the year.

This left the net surplus result after investments at $13,593, compared to $1.75 million in 2007/08.

BOARD AND EXECUTIVE CHANGES
John H. C. Colvin FAICD, formerly head of Freehills’ Sydney office, took up his role as Chief Executive Officer on 1 September 2008.

In November 2008, Terry Budge FAICD retired as a National Board Member and Dale Budd OBE FAICD retired as president of the ACT Division. We thank them for their contribution on behalf of AICD and its members.

Two new Division Presidents joined the Board: Steven Cole FAICD (Western Australia) and Brand Hoff FAICD (ACT).

In addition, Fiona Harris FAICD, formerly President of the Western Australian Division, was appointed as a National Board Member.

We would also like to thank John Ralph AC FAICDLife, who retired as Chairman of AICD’s Corporate Governance Committee in June, for his enormous contribution to the important work of the committee since it was formed in 2004. Kevin McCann FAICD has accepted the role as the committee’s new Chairman.

CONCLUSION
The AICD Board, our Division Councils, our executive team – which has a number of new members since the last annual review – and our staff, as well as the experienced directors and practitioners who work on our program and policy development committees, have achieved a great deal in 2008/09.

We would like to thank all of them for their hard work, dedication and important contribution to our success, in what has been one of the most difficult years economically in decades.

We would also like to thank you, our members, for your participation in AICD’s activities and your contribution to achieving that success.

John Story
Chairman

John H.C. Colvin
Chief Executive Officer
Our Board

JOHN STORY FAICD, 
Chairman 
BA, LLB 
Chairman, Suncorp Metway Limited and Tabcorp Holdings Limited; Director, CSR Limited; Chancellor, University of Queensland and Commissioner of the Public Service Commission (Queensland Government).

ELIZABETH BRYAN FAICD, 
National Director 
BA (Econ), MA (Econ) 
Chairman, Caltex Australia Limited; Director, Westpac Banking Corporation and Westpac New Zealand Limited; Chair, UniSuper Limited and UniSuper Management Pty Ltd.

STEVEN COLE FAICD, 
President Western Australia Division 
LLB (Hons) 
Chairman of ASX-listed Solco Limited and Emerson Stewart Group Limited, and Deputy Chairman, Reed Resources Limited. Chairman of two private investment trusts, Queen Elizabeth II Medical Centre Trust and Brightwater Care Group Inc; Deputy Chairman of Professional Standards Councils of Australia.

LYN COX FAICD, President 
Tasmania Division 
BEC, FCA 
Director, B&E Limited; Deputy Chairman, Sullivans Cove Waterfront Authority (Tasmanian Government)

ALAN HEWITT FAICD, 
President South Australia and Northern Territory Division 
FAMI, FAPI, SA Fin 
Former Chairman, Community CPS Australia Ltd and Eastwoods Group Pty Ltd

MARTIN KRIEWALDT FAICD, President 
Queensland Division 
BA, LLB (Hons) 
Chairman, Opera Queensland Ltd; Director, Suncorp Metway Ltd, Oil Search Limited, Campbell Brothers Limited, Macarthur Coal Limited, Brisconnections and ImpediMed Limited; Member, Major Performing Arts Board.

Information correct as at 11 September 2009
It is important to provide directors with the opportunity to share knowledge and experience amongst their peers and to host forums for leading directors to consider the future of directorship.

Kylie Allison, Marketing Executive

Detailed biographies are available at www.companydirectors.com.au
Our Executive team

**Andrew Madry GAICD**  
Chief Operating Officer and Company Secretary  
BCom, MBA, CA  
Andrew is responsible for managing AICD’s operations, including oversight of the seven Divisions across Australia, human resources, national events as well as guiding the development of strategy and the implementation of organisation-wide strategic projects.

A chartered accountant, Andrew has more than 25 years’ experience in the areas of financial management and information technology, where he has focused on information systems’ audit and risk management. Prior to joining AICD, Andrew was a member of the executive at Austraclear, the predecessor to the Sydney Futures Exchange clearing house.

Andrew is focused on achieving the organisation’s strategic goals and working with the management team to enhance the value of AICD membership for all directors, while also further developing staff talent and assisting team members to reach their potential.

**Maureen Monckton MAICD**  
General Manager, Director and Board Development  
BMaths, DipEd, Grad Dip Comm Mgt  
Maureen’s responsibilities include the development and execution of education strategy and policy, including the education development plan, determining and overseeing education standards and delivery of national and international premium programs.

Maureen joined AICD as a specialist developer of education products. She has had more than 20 years experience in education and training environments. Prior to joining AICD, Maureen ran her own consultancy and from 1999 to 2001 she was Principal of the Australian Quality College. Her background includes working with membership groups and professional associations as well as within all education sectors.

Key challenges for the forthcoming year include developing product to meet diverse director needs based on market research data and providing innovative delivery options, building a sustainable In-Boardroom business model and developing additional e-learning courses.

**Rob Elliott FAICD**  
General Manager, Policy and General Counsel  
LLB, BCom (Mkt), FCIS  
Rob is responsible for the development and advocacy of policy for Australia’s company directors in fields including corporate governance, law, reporting, tax, remuneration and corporate social responsibility.

In addition, he advises AICD members on these matters both through Company Director and via AICD’s website.

Rob has a background in director and corporate advice and has previously worked for major legal, accounting and financial institutions. He has also been a company secretary and non-executive director of a number of companies, is a qualified commercial mediator and a member of the Australian Corporate Lawyers Association.

In the coming year, the Policy & Advocacy department will continue to focus on representing the interests of Australia’s directors, seeking to influence the stakeholder, regulatory and legislative environments and promote effective and efficient corporate governance and board practice.

**Steve Burrell MAICD**  
General Manager, Communications & Public Affairs  
BEC Syd  
Steve Burrell is responsible for AICD’s communications, media management and government relations functions.

He joined AICD in January 2009, after more than 23 years’ as a senior journalist, columnist and editor for The Australian Financial Review and The Sydney Morning Herald. Prior to entering journalism, Steve was an economist and policy advisor in the Federal Treasury and the Australian Bureau of Statistics.

In the year ahead, the Communications & Public Affairs department will focus on ensuring that AICD continues to take a more strategic and proactive approach to media and government relations, which has helped raise its profile as the ‘voice’ of directors in the public debate. It will also conduct a strategic review of Company Director magazine, review the government relations function and improve the two-way flow of information and ‘content’ between National Office and State Divisions.
Marie Campion MAICD
General Manager,
Marketing & Member Services
Dip Marketing, CPM, AMI
Marie’s role is to effectively market AICD as Australia’s pre-eminent organisation for governance and directors so that directors see high value in being involved with the activities of AICD as well as becoming a member.
Marie has more than 20 years’ experience as a marketing professional, working across FMCG, professional, financial and IT services; in large multinationals, a privately-owned boutique company and another member-based organisation.
Prior to joining AICD, Marie led the marketing department of the retail funds management arm at Deutsche Bank and at Computer Sciences Corporation (CSC) in Australia and the Institute of Chartered Accountants.
In 2009/10, Marie and her team are focused on strengthening the alignment of AICD’s brand and its corporate strategy; building brand awareness and delivering value to all AICD members to ensure high levels of satisfaction and loyalty.

Brad Sherringham MAICD
Chief Financial Officer
BCom, CPA
Brad is responsible for AICD’s financial operations including finance and management reporting, as well as its information technology.
A CPA with more than 20 years’ experience in financial and management accounting, Brad started his career in Newcastle as a chartered accountant before moving into financial leadership roles in the hospitality and events industry, the most recent of which was as Finance Manager of the Royal Agricultural Society of NSW.
Brad joined AICD in 2006 and was appointed Chief Financial Officer in 2008. Under Brad’s leadership, the finance team’s focus is cost control in a constricted economic environment, with particular emphasis on maintaining a positive operating cashflow, while the IT department is embarking on a major process and system review to support the medium to long-term sustainability of the business.

“Having run a small business myself, I am very interested in helping AICD provide support to directors in that sector”
Michael Whitty, Assistant Manager, Member Relations, Victoria
Performance Report

Our performance in this section is reviewed against the four goals set for the 2008/09 financial year.

GOAL 1: Meet the information and career development needs of directors

Independent research of our members consistently confirms that the provision of information, and support for career development, are the two of the most important measures that members apply to AICD’s performance.

PROFESSIONAL DEVELOPMENT PROGRAMS

To expand the opportunity for participation in the Company Directors Course (CDC), AICD increased the number of CDC programs scheduled in 2008/09 by six per cent. In Queensland, two CDCs were scheduled in the traditionally quiet January holiday period, both of which were sold out. The table (right) provides a summary of the public and In-Boardroom CDCs conducted throughout Australia.

AICD is committed to supporting the emergence of Indigenous directors in corporate Australia and assisting the directors of Indigenous corporations to build their governance capabilities.

In addition to mapping a program of delivery for six In-Boardroom governance programs to be conducted for an Indigenous corporation in Kununurra, the first Company Directors Course for Indigenous Business Leaders was held in Sanctuary Cove in June. An initiative of AICD Queensland and developed in partnership with the Federal Department of Education, Employment and Workplace Relations (DEEWR), the CDC was delivered with the support of seven corporate partners. The 22 Indigenous business leaders and directors that participated in the program are building businesses, creating wealth and have the potential to become role models for their communities.

AICD also developed a one-day course titled Governance Essentials for the Public Sector. It has been specifically designed for directors and senior members of public sector organisations and is conducted both as a public program and In-Boardroom. The course explores the roles and responsibilities of board members in public sector organisations as well as the board procedures and processes which assist in driving board performance. Planning also commenced during the year for AICD’s inaugural Public Sector Governance Conference, which is to be held in Canberra on 14 to 15 October 2009.

Across the country, AICD also sought to work more closely with members to better understand the development needs of their boards and to raise awareness of the benefits of tailored In-Boardroom programs.

EMERGING DIRECTORS

Following a successful pilot program in South Australia, AICD expanded its portfolio of ‘emerging director’ initiatives significantly. Committees with a reference to build on these initiatives were (or are soon to be) established in South Australia and Western Australia, while in Victoria, the Emerging Directors’ Committee continued to evolve and develop. AICD considers emerging directors to include those seeking their first board appointment, as well as those aiming to expand their portfolio of non-executive directorships or to learn more about a career as a professional director.

AICD is developing a new web-based service to assist its emerging directors. This dedicated director recruitment service, ‘Directorship Opportunities’, will provide members with visibility of available positions and the opportunity to apply online. The service, developed in response to member feedback, will be launched in November 2009, replacing the existing AICD ‘Directors Register’.

Events and workshops designed to provide information on finding board positions and to fill board vacancies were run in several states and were all well attended. Relationships with other not-for-profit organisations, including Volunteering SA and the Australian Business Arts Foundation (Queensland and NSW) were established to assist boards that are seeking directors to identify suitable candidates and to provide those interested in attaining board positions with an opportunity to meet with board representatives seeking new directors. Opportunities to contribute or volunteer on boards have also been facilitated via the NSW Division newsletter.

Recognising that emerging directors also seek support in working through difficult decisions, the Queensland Division of AICD is trialling an advisory service to provide a means for members to access guidance from more experienced directors.

DEVELOPING ISSUES

To help directors meet the current and emerging challenges of their roles, AICD hosted its Directing Tomorrow Today 2008 seminars in seven metropolitan areas across Australia. Running for its second year in a row, those 1,772 directors attending the seminars, exclusive to members, were fortunate to hear from Alan Cameron AM FAICD, shortly after his appointment as a Director and Chairman of ASX Markets Supervision as well as Gabrielle Upton FAICD, a Senior Policy Advisor and Legal Counsel at AICD. The overall satisfaction rating for the series was 84.2 per cent, and in the light of this success, the complimentary seminars are being presented again in 2009.

In the wake of the global financial crisis, AICD also launched a ‘Directing in Difficult Times’ micro-site for
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members on its website and a *Directing in Challenging Times* education seminar was developed and conducted in several states, including Queensland, where the program was piloted. The micro-site was designed to assist members quickly and easily locate information regarding audit committees, AGMs and business survival in general.

In addition, AICD’s ‘Online Information Guides’ were introduced in September 2008 and expanded throughout the year to provide a single reference point on the AICD website for important director issues. Topics covered in the guides include remuneration, director liability, board performance, director share trading and OH&S. By the end of the financial year, more than 7,000 unique ‘hits’ on the ‘Online Information Guides’ had been recorded.

The ‘Frequently Asked Questions’ (FAQs) on the website also continued to be popular, with 62,528 unique ‘hits’. The three most popular FAQs by topic included: “Roles, duties and responsibilities of directors”; “Selection appointment and remuneration of directors” and “Legal aspects”.

AICD’s Information & Research Centre, located in National Office, received more than 300 queries from members. The most frequent questions received during the year related to remuneration, directors’ duties, board meeting procedures and board structures.

**AICD PUBLICATIONS**

The chart (left) provides a snapshot of feedback received from members in response to the IPSOS Readership surveys conducted for Company Director over the past three years. A new approach to *The Boardroom Report*, with a strong focus on providing more relevant and up-to-date content, also reaped dividends, with a considerable improvement in readership.

Analysis of the IPSOS survey also assisted in providing the data required by potential advertisers, whose support is important to maintaining the high quality of the publication.

AICD launched a monthly member email, *DirectorUpdate*, in February to assist in the reduction of promotional emails being sent to members. In the four editions to June 2009, the email achieved an average open rate of 22 per cent. Each edition contained information pertaining to each member’s home state, as well as information relevant to AICD nationally. *DirectorUpdate* informed members of the introduction of the ‘Directing in Challenging Times’ micro-site, the ‘Online Information Guides’, as well as the availability of AICD’s Executive Remuneration Guidelines and Underlying Profit Principles, and new policy submissions. Several editions of *DirectorUpdate* also included DirectorBooks ‘specials’, with featured titles quickly selling out as a result.

Two long-standing AICD publications were substantially revised during the year: *Duties and Responsibilities of Directors and Officers* 19th edition by Professor Bob Baxt, AO FAICDLife, and *The Not-for-Profit Director* 2nd edition.

Recently published works were made available as online e-books to cater for immediate needs and we continue to publish hard copies.

In the week following its release, the e-book version of *Duties and Responsibilities of Directors and Officers* was downloaded 5,692 times from AICD’s website.

Interviews with authors, uploaded to the website in podcast and MP3 format, have proven to be very popular. We look forward to providing an interesting line up of authors for the coming year and launching some exciting new initiatives.

All AICD members now receive a regular newsletter that is specific to their state or territory, with NSW *Director* launched in early 2009. Distribution of the AICD newsletter for South Australian members, SA *Director*, increased to 8,000 through growth in the circulation of *In Business*, the SA business magazine that incorporates SA *Director* as an insert.

AICD’s first newsletter for international members was planned for introduction and distribution by the Western Australian Division in August 2009.

AICD maintained a constant schedule of Directors Briefings throughout the year – 88 seminars in total – to provide members with the opportunity to learn more about topical and practical issues, and network with other directors with common interests. Tasmania expanded its event series, while other states also increased the number of sector-specific events. Building on the popular Wonda Drug Limited case study, first piloted in WA and run at the Company Directors Conference in Cairns, AICD plans to increase the number of events run in a hypothetical format, enabling directors – both emerging and experienced – to visualise the challenges of discussing problems at the board table.
GOAL 2: Advocate for excellence in governance and director issues

As Australia’s only member institute for directors, AICD is continually striving to provide guidance on good governance to directors and advocate for legislative reform on behalf of the director community.

AICD aims to be a strong and proactive voice for directors in the public debate and in advocating policy positions to government. We have worked constructively and effectively with governments, regulators, investors and other relevant stakeholders (see left), while still vigorously upholding our principles and members’ interests.

In 2008/09, AICD lodged 31 submissions to inquiries and produced seven policy papers on a broad range of issues. As mentioned in the ‘Report from the Chairman and the CEO’, the issues of executive remuneration and director liability were focus areas throughout the year. Other areas addressed included: market integrity (directors share trading and margin loans); unfair contracts; AGMs; accounting standards; business taxation; short selling; university governance; capital raisings; and trade practices. More than 400 items of AICD media coverage were generated throughout the year on both policy issues and reports from events.

To further the thinking on important issues for the Australian director community, AICD hosted roundtable discussions with directors from the ASX 200 community. The national series has continued to provide the opportunity for AICD to capture the key considerations and ideas from leading Australian directors. The insights from these discussions were, and will continue to be, considered in the formation of guidance to members and shaping of AICD policy.

In support of its members from the not-for-profit (NFP) sector, AICD lodged a submission to the Senate Economics Committee Inquiry into Disclosure Regimes for charities and NFP organisations in September 2008. Chair of the Committee, Senator Annette Hurley spoke at two back-to-back, sold-out events in Victoria to present the Committee’s recommendations.

On the topic of executive remuneration, AICD:
- Lodged an extensive submission to the Productivity Commission’s Inquiry into the Regulation of Director and Executive Remuneration in Australia, and appeared at the public hearings held in Sydney on 16 June;
- Lodged a submission to Federal Treasury on the Exposure Draft: Corporations Amendment (Improving Accountability on Termination Payments) Bill 2009;
- Released a 32-page Executive Remuneration: Guidelines for Listed Company Boards booklet;
- Provided feedback to APRA on its proposed extensions to governance requirements;
- Hosted Directors Briefings in WA, NSW and Victoria;
- Wrote to the Assistant Treasurer, the Hon Nick Sherry, setting out AICD’s concerns with the Tax Laws Amendment (Employee share schemes) Bill 2009;
- Lodged a submission to the Australian Shareholders’ Association draft policy statement on executive remuneration;
- Commented on the International Corporate Governance Network’s (ICGN) draft revised non-executive director (NED) remuneration guidelines;
- Updated position papers on executive termination payments and the remuneration of NEDs; and
- Was quoted in a large number of media reports, with CEO John Colvin FAICD interviewed on radio and appearing on SBS Insight and ABC’s Lateline Business programs to discuss these issues.

AICD sought to raise awareness of the personal liability imposed on directors through relevant policy submissions (including to the National Review of OH&S, the National Human Rights consultation, the Productivity Commission remuneration inquiry and the Carbon Pollution Reduction Scheme), meetings with Federal and State Ministers, opinion pieces in – and interviews with – the media, as well as through AICD events and Company Director.

In May, AICD welcomed the agreement of the Workplace Relations Ministers’ Council, following on that of the Council of Australian Governments (COAG), to harmonise state and territory legislation and to implement a uniform
GOAL 3: Connect with directors by providing relevant products and services

AICD is focused on delivering the highest quality and most relevant products and services. This was reflected not only in increased membership numbers and high retention, but in member participation which reached 43 per cent (unique members attending at least one event or course through the year) in 2008/09.

In June 2009, AICD invited all members to participate in the ‘Shaping our Future’ survey. This survey was designed to enable us to obtain the detailed information required to ensure we enhance the value of continuous AICD membership. We appreciate the time that members and non-members invested in completing the survey and in providing detailed feedback.

MEETING DIVERSE MEMBER NEEDS

While the extensive feedback received in response to the survey is being analysed, AICD is already working to address the different needs of our diverse membership.

For example, as mentioned in the ‘Report from the Chairman and the CEO’, AICD commenced a National ‘SME’ project in 2008/09 with the objective of enhancing the value of membership for business owners, founders and the directors of small and medium-sized enterprises (SMEs). In the first phase of the project driven by the Queensland office, AICD conducted six focus groups to obtain feedback on current small business people’s perceptions of AICD’s products and services. Comments received from participants have assisted AICD in planning initiatives designed to support small businesses to survive tough times and achieve their growth aspirations.

Each AICD Division identified and delivered programs to meet specific member needs. In NSW, AICD developed a number of partnerships to deliver dedicated programs (including events, information and education) for SMEs, NFPs, on mergers and acquisitions and healthcare. Victoria has also worked on the development of special interest groups in the NFP and healthcare sectors.

Several states also increased the number of events hosted in regional areas, including Tasmania, which held a networking evening and Directors Briefing in the state’s North West. AICD WA conducted its first West-End series, designed for directors in the mining and resources industries, all of which were well attended. AICD WA also established a Great Southern Regional Committee and a Regional Member Relations Executive was appointed in Victoria to support its growing regional member base. Queensland continued to offer a comprehensive suite of programs and events.

"D&O insurance is a complex but important issue for directors to understand. In developing a new Member Service, it was invaluable to have a member with strong insurance expertise volunteer their time to assist us in unravelling the complexities and designing the right tools to assist all members”

Alison Brough, Member Services Executive
across six regional areas in the state, supported by six dedicated committees.

Twilight Networking events were again the most popular events hosted in Canberra. The ACT Division connected with its small business membership by running a briefing on venture capital options after the changes to Commercial Ready grants program, and by addressing director issues for small businesses in a monthly column in Canberra’s B2B Magazine. To support the large number of Canberra-based industry associations, delivering relevant events to the NFP sector was also a focus for ACT.

In conjunction with ASX Market Supervision, AICD developed a one-day program, The Listed Company Director, to assist directors of listed companies in dealing with changes in the economic landscape.

In recognition of their long-term contribution to AICD and directorship, AICD has sought to schedule more events exclusive to those in the Fellows category of membership. NSW launched a Fellows Forum program, the Inaugural Tasmanian Fellows Dinner is scheduled for November, while in Victoria, the contribution of the Chairman of BHP Billiton, Don Argus AO FAICD was recognised through the presentation of an AICD Distinguished Fellows Award. Queensland continued its Chairman’s Luncheon series, enabling leading chairman based in the state to discuss issues and trends with their peers.

Argus, as well as ANZ Bank Chief Executive Officer, Mike Smith, NAB and Woodside Chairman, Michael Chaney, Commonwealth Bank Australia Chief Executive Officer, Ralph Norris and General Peter Cosgrove AC MC FAICD were among the many keynote speakers who addressed premier AICD events throughout the year. AICD was privileged to host Reserve Bank of Australia Governor, Glenn Stevens, at two Directors Luncheons – one in Sydney and one in Adelaide – at major turning points in the year: two days after the collapse of Lehman Brothers and the RBA’s first public statement suggesting that Australia was in recession.

The Rottnest Forum maintained its status as an iconic event of the WA business community with 300 guests in attendance, the Queensland Outback Forum was again a success, and a Directors Luncheon with Alan Kohler as keynote speaker in Tasmania attracted 220 members and guests.

Two networking events were conducted for international members for the first time in Dubai and Singapore. In response to a survey of international members, AICD will continue to host networking events in conjunction with the ICDC and in the hubs where the concentration of overseas-based members is greatest.

As part of its ‘Directorship of the Future’ project, AICD commissioned Ian Harper of Access Economics to undertake a review of the changing nature and role of company directorship in Australia over the past 25 years.
of activity for members in regional areas. We look forward to the continued support of members as we widen our range of initiatives and activities, and as we seek to promote good governance and professional directorship in Australia.

GOAL 4: To be a place where people want to work

To ensure AICD has the capacity to make a difference, we strive to be a positive place to work and for our enthusiasm and energy to be visible to our members, as well as one another.

DEVELOPING OUR CULTURE, ALIGNING WITH STRATEGY

AICD assessed its cultural strengths and challenges during the year to determine where the culture needed to be enhanced to ensure alignment with organisational strategy. AICD’s values were updated and relaunched in July 2009. The Human Resources team is now in the process of implementing the Cultural Development Plan established as a result of feedback obtained from a staff survey.

REDUCING AICD’S ENVIRONMENTAL IMPACT

AICD’s newly-created employee environment committee is responsible for:

- Analysing our current environmental impact;
- Developing an action plan;
- Monitoring progress and adjusting the action plan as required; and
- Ongoing staff education regarding environment issues.

SUPPORTING COMMUNITY ORGANISATIONS

Late in the financial year, AICD’s first Community Committee was also established, with representatives from both Division and National offices. The Community Committee is responsible for identifying and reviewing the charitable organisations which AICD supports, as well as managing how AICD supports its chosen charities, including through an Employee Volunteering Program, raising awareness and fundraising and support activities.

Thank you also to all who …

- Contributed to AICD’s Director and Board Development programs through writing and reviewing course materials, participating in pilot programs and as Directors-in-Residence at the CDC and ICDC residential programs;
- Served on our policy committees and task forces and helped AICD to monitor and develop responses to important director issues; and
- Worked on our regional committees developing programs.