

# Board Monitor Australia and New Zealand 2021

Directors added to the boards of the ASX 200 and NZX 10 in 2020 show continued strong progress on gender diversity, as well as a strong preference for retired executives.





## About Board Monitor

This report is part of Heidrick & Struggles' long-standing study of trends in board composition in countries around the world. Produced by our CEO & Board Practice, these reports track and analyze trends in non-executive director appointments to the boards of the largest companies in Australia, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Mexico, the Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, the United Arab Emirates, the United Kingdom, and the United States. Information about executives is gathered from publicly available sources, BoardEx, and a Heidrick & Struggles proprietary database.

**Thanks to the following Heidrick & Struggles colleague for his contributions to this report:**

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Fergus Kiel  
Sydney

# Welcome to Board Monitor Australia and New Zealand 2021

4

In an unprecedented year,  
a focus on experience



5

Snapshot of  
2020 findings



6

Looking  
ahead



# In an unprecedented year, a focus on experience



Board fundamentals—financial oversight and good governance—were crucial in 2020 as companies navigated through a global pandemic, geopolitical uncertainties, and economic recovery. Many directors found themselves working more closely than ever with executive teams to keep their companies afloat, and working at a faster pace than ever before. And boards were increasingly expected to not only address topics as wide-ranging as community responsibility, sustainability, and diversity in their own composition, but to do so publicly. Furthermore, remote working and crisis management forced boards to operate differently—often outside their traditional schedule and agenda.

All of this, of course, affected how boards thought about the new members they added in 2020. In Australia and New Zealand, less than a quarter of seats, 21%, went to active, rather than retired, executives. This is a much lower share than the 57% in the United States or the 34% in the United Kingdom. In addition, the share of active executives gaining board seats has consistently dropped in

the four years we have been tracking—down from 30% in 2018 and counter to trends in most other countries. As the uncertainty brought by COVID-19 grew and Australia faced continued lockdowns, this low share of active executives may be explained by boards' desire to appoint retired executives who possessed the capacity to commit to the demands of a crisis environment in addition to past experience leading through crisis.

Fifty-three percent of seats were filled by current or former CEOs or CFOs, about the same as the United States' 51% and somewhat higher than the United Kingdom's 44%. Similar to trends elsewhere, this share has been consistently dropping in Australia and New Zealand as many boards seek expertise in newer areas such as sustainability or cybersecurity risk, as well as other sources of fresh perspectives, to help meet their ever-increasing remit.

And boards continued to make strong progress on gender diversity: the share of seats filled by women was exactly half,

the highest share we have seen. Indeed, in 2021, Australia achieved the historical milestone of no all-male boards in its ASX 200 index. This may be attributed to the increasing recognition in Australia of the broad-ranging value diversity of thought brings to a board table, as well as the continued uptake of ASX Corporate Governance Principles and Recommendations, which propose that at least 30% of board seats within S&P/ASX 300 companies should be women.

Even while seeking greater diversity, boards continued to show a preference for filling seats with people with prior experience on a public company board. The share this year was 69%, the same as the prior year and on par with 68% in the United Kingdom.

International experience also continued to remain important to these boards: 60% of seats went to people with international experience, on par with the prior year and with the United States' figure. (The share in the United Kingdom, by comparison, was 49%.)

# Snapshot of 2020 findings

New director  
seats filled



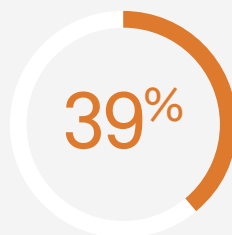
177

Average age

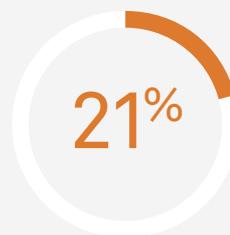


59

Current and  
former CEOs



Current and  
former CFOs



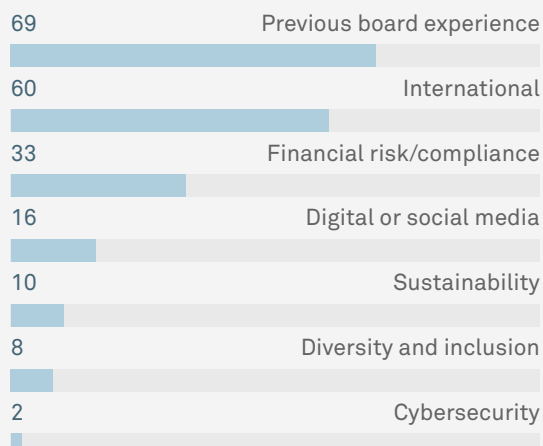
## Active/retired executives (%)

Active: 21

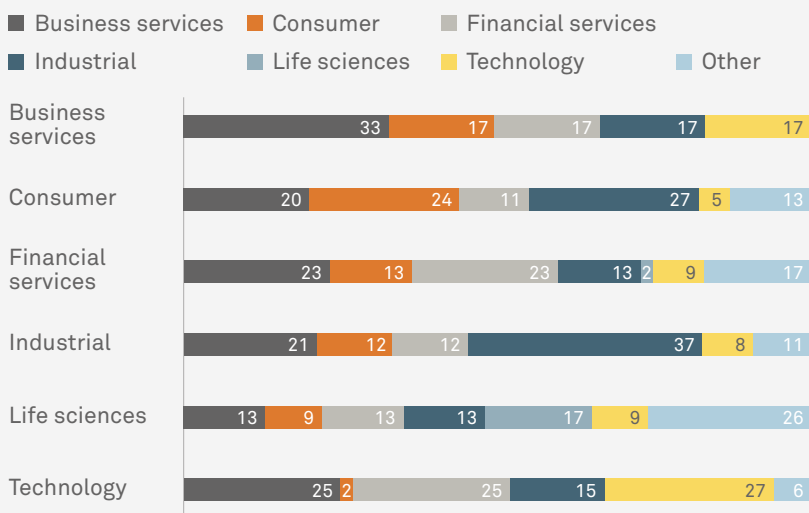
Retired: 79



## Experience (%)

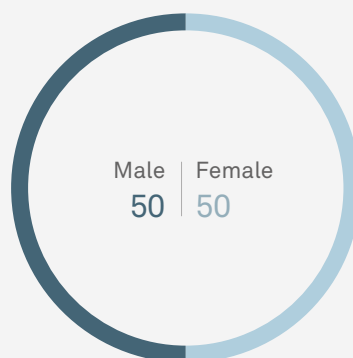


## Distribution of previous industry experience, by industry (%)

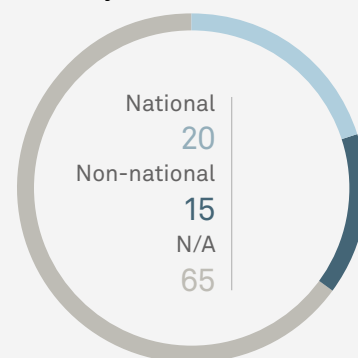


Note: Numbers may not sum to 100%, because of rounding.

## Gender (%)



## Nationality (%)



# Looking ahead



Last year's new directors found themselves joining boards dealing with myriad, unprecedented challenges. Many boards were forced to reassess how they worked, as entire organizations were also doing. Some boards stepped back, to analyze what they—and only they—could do to support their companies, with a focus on ensuring board members could support sound and swift decision making.

As the region continues to emerge from the crisis, we expect boards to intensify

their focus on their role in supporting their organization's purpose and ensuring they are equipped with the skills and experience necessary to preserve their organization's competitive advantage and ensure its long-term priorities are achieved.

We expect the directors added this year, all in all, to be part of boards that are more diverse, more committed, and more agile than ever.

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# CEO & Board Practice

Heidrick & Struggles' CEO & Board Practice has been built on our ability to execute top-level assignments and counsel CEOs and board members on the complex issues directly affecting their businesses.

We pride ourselves on being our clients' most trusted advisor and offer an integrated suite of services to help manage these challenges and their leadership assets. This ranges from the acquisition of talent through executive search to providing counsel in areas that include succession planning, executive and board assessment, and board effectiveness reviews.

Our CEO & Board Practice leverages our most accomplished search and leadership consulting professionals globally who understand the ever-transforming nature of leadership. This expertise, combined with in-depth industry, sector, and regional knowledge; differentiated research capabilities; and intellectual capital, enables us to provide sound global coverage for our clients.

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ONE LEADERSHIP TEAM AT A TIME®

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