

# Media release

## **Media Release** | Diversity stalls as decade of data reveals slow pace of change.

A new report on Australia's boardroom diversity has raised concerns about stagnating diversity on Australian boards with little or no change to the gender and cultural make up of the top ASX 300 listed companies.

The **2024 Board Diversity Index** from **Watermark Search International** and the **Governance Institute of Australia** found there are now **more directors with an Anglo-Celtic background than seven years ago** (91 per cent) and **no change to the number of First Nations directors** which remains at four, although they now occupy an extra board seat with a total of seven.

Launched a decade ago, the **Board Diversity Index** is the only comprehensive analysis of Australian boards that measures diversity across Australia's top 300 ASX listed companies in five key areas: **gender, cultural background, age, skills/experience, tenure** and **independence**.

While great strides have been made on gender since 2015, with an 89 per cent increase in the number of board positions held by women, other aspects of diversity have either stalled or are simply not reported.

Governance Institute of Australia Chair, Pauline Vamos said the report demonstrates boards are not reaching into broader pools of talent which is a worrying sign for the future.

"The recruitment of directors has become trapped in a cycle of repetition and reliance on the same outdated processes and skills matrices no longer suited to contemporary demands," Ms Vamos said.

"It is imperative that we break free from this inertia, innovating our approach to sourcing talent and redefining the criteria for leadership excellence in today's dynamic environment."

David Evans, Managing Partner of Watermark Search International said organisations should look to talent on boards outside of the ASX 300 such as government, not for profit and private company boards.

"The pool of talent you draw from can make or break public perception of your organisation, and its bottom line," Mr Evans said.

"Companies should also consider executives who have reported to a board because they can bring useful information about how organisations can serve their customers, employees and markets more effectively."

The report also found a significant decline in the percentage of younger directors under 50, while **chair tenures of 20 years and beyond are rising**.

Ms Vamos said the concentration effect is a still a concern, with the trend of longer chair tenures acting as a blockage to opportunities for new talent.

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“Chairs play a pivotal role in addressing and reporting on all aspects of diversity, but it is still very much a ‘do as I say, not as I do’ mentality,” Ms Vamos said.

“Boards need to become better at envisioning what the organisation might look like in five, ten years’ time and start planning now for the type of board ‘personality’ required to get there.”

Other key findings from this year’s report include:

- Representation of women on ASX 300 boards has risen to **36%** (up from 35% in 2023)
- 13 of ASX Top 300 boards have **no female directors**; but 123 boards (41%) have hit the 40:40:20 target.
- Only **four directors** on the ASX 300 are **openly LGBTQI+** and there is no data on directors with a disability.
- **Only 9% of directors** are from non-Anglo-Celtic backgrounds.
- Average age of directors has risen slightly to 61.
- **Directors aged under 50 have fallen** since 2021: significantly younger women have fallen from 17% to 11%.
- Most common chair tenure is 4 – 9 years, but **chair tenures 20+ years have risen** to 7.8%, up from 4.1% in 2019.
- **Finance sector experience** among board directors has risen to 40% – a level not seen since 2016 indicating a conservative approach in a challenging economic climate.

Download the full report [here](#).

**For all media inquiries and interview requests please contact:**

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*\*\*Please note an earlier version of this media release said the proportion of women on ASX200-300 boards had fallen from 44 per cent to 32 per cent over the past year. After being alerted to possible inconsistency in the data, a thorough review was conducted and found a reporting error from the 2023 Board Diversity Index was inadvertently carried across to this year’s report. While the graphs are accurate, the written content published is incorrect. The correct information is that the number of board seats occupied by women in ASX 200-300 companies has in fact risen slightly, from 31 per cent to 32 per cent. The figure of 44 per cent from last year is incorrect. Watermark Search International and Governance Institute of Australia deeply regrets the error and apologises for any inconvenience caused. We reaffirm our commitment to accuracy and transparency in all communication.*

## **About the Governance Institute**

A national membership association, Governance Institute of Australia advocates for a community of governance and risk management professionals, equipping over 8,000 members with the tools to drive better governance within their organisation.