

GRAINS RESEARCH AND DEVELOPMENT CORPORATION**19 April 2010****2009-2010 GOVERNANCE REVIEW SUMMARY**Our reference
EMJ AIK 02-2015-1307**1. BACKGROUND TO THE GOVERNANCE REVIEW**

Blake Dawson completed its fourth review of the governance of the Grains Research and Development Corporation (**GRDC**) in April 2010. Blake Dawson previously conducted governance reviews of the GRDC in 2003, 2004 and in 2006-2007.

Past reviews found that the Board was adding value to the organisation as a whole, with some scope for improvement including a need for further strategic focus, better risk assessments of new ventures, improvements to the skills mix on the Board and better succession planning.

The 2009-2010 review was undertaken to assess how the governance of the GRDC has developed since the last review and to measure achievement against recommendations previously made.

2. OVERVIEW OF KEY FINDINGS

The 2009-2010 review highlighted that the GRDC continues to attain a high standard of governance. In particular, the Board has continued to improve and implement a number of governance reform measures.

It is evident from the review that the relationship between the Board and Executive Management Team is strong and trusting. Having a strong relationship between the Board and the Executive Management Team, enables the Board to focus on strategic issues and have confidence in the Executive Management Team to implement strategy. The Executive Management Team is also able to comfortably approach the Board to discuss issues.

There was consensus among participants that the Board has a comprehensive and balanced range of skills. Participants acknowledged that the Board worked together as a team and presented a unified message to the Executive Management Team and relevant stakeholders. Board members were seen by participants to be committed to the GRDC and spend a significant amount of time preparing for and attending Board and committee meetings, participating in regional visits, and pursuing GRDC interests with stakeholders.

It is evident that the Board and the Executive Management Team place considerable emphasis on ensuring that Board papers and minutes are of a high standard. It is also apparent that emphasis is given to ascertaining and managing conflicts of interest.

The review further indicated that the Board remains committed to improving the Board's and the GRDC's relationship with stakeholders, particularly with the grains industry and the Commonwealth Government.

The review also identified a small number of areas for continuous improvement to build upon the high standard of governance attained by the GRDC.

Past reviews have recommended that the Board commit sufficient time to "big picture" strategy issues, and in particular to the development of strategies for the major challenges facing the GRDC. We observed that the Board has taken commendable steps in this respect, with room for further development such that the Board is taking a more active role in articulating strategy for the GRDC.

Recommendations were made in the following areas to further strengthen and improve the GRDC's governance activities:

No.	Recommendations
1.	To further develop and strengthen the strategic role of the Board.
2.	To continue to improve and develop the GRDC's relationship with stakeholders.
3.	To ensure robust succession planning for the Managing Director.
4.	To extend the lessons learnt process undertaken by the Board to reviewing "big picture" strategic decisions.
5.	To manage the participation of the Executive Management Team in Board meetings more effectively and further develop the questioning of the Executive Management Team.
6.	To further develop the management of the deliberations of the Board with greater formality.
7.	To implement measures to address certain additional findings and observations.

The GRDC, and the participants in the review, were commended for their candour and for their open and honest assessment of the governance of the GRDC. The strong commitment of Board members and staff to the success of the GRDC was apparent.

3. METHODOLOGY

The 2009-2010 review was a limited review conducted using a methodology involving:

- (a) a review of questionnaires completed by Board members and the Executive Management Team;
- (b) individual, confidential interviews with Board members and the Executive Management Team;
- (c) a full day observation of the Board on 4 February 2010; and
- (d) a limited "desktop" review of Board minutes and other relevant corporate and governance documentation.

The review methodology did not comprise an audit of the GRDC's governance activities.

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