

# The Better Boards Conference 2020

Your Digital Governance Weekend

.....  
**ONLINE ► 25 – 26 JULY** AEST  
.....



**PASSIONATE DIRECTORS • PURPOSEFUL BOARDS**

# Better Boards Conference 2020

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# Welcome Message



A very warm welcome to all those attending the Better Boards Conference 2020. This year's conference is scheduled during a time of unprecedented restrictions on gatherings and travel. But in many ways this is an opportunity, especially for organisations who perhaps have not had a budget to travel to the conference in the past.

Each year the Better Boards Conference aims to provide professional development opportunities for directors and CEOs to discover realistic and practical ideas, information, tools and processes that will assist in the governance and leadership of their organisation.

We know you are passionate about governance, and at a time where disruption, uncertainty and new ways of conducting our day-to-day lives have been hastily thrust upon us, our organisations need knowledgeable and charismatic leaders more than ever. It is time to embrace our passion and purpose.

Presentations this year will speak to the theme *Passionate Directors – Purposeful Boards*.

**Passionate directors** bring enthusiasm, commitment, experience and knowledge, all of which add significant value and benefit to not only their boards' but organisations.

**Purposeful boards** are united, collegial, focused and disciplined, lead by a chair who not only facilitates discussions and decisions, but is guided by strategy, KPI's and timeframes.

Rather than postpone the presentations until another time, we are continuing to ensure that the true leaders who are looking for practical ideas, information, tools and processes at this critical time – can still access this information, continue their professional development and cultivate industry networks during this governance weekend.

Behind the success of each year's Better Boards Conference are our highly valued speakers, partners, sponsors and the Better Boards team who have persevered to deliver such an innovative event in the midst of unprecedented uncertainty. So a big thank you to all those involved for their support as we begin our first ever fully digital conference experience.

I look forward to welcoming and meeting new and past delegates on this digital platform and trust you all enjoy yourselves, gain new or enhanced learnings and understandings and make new contacts and strengthen your networks.

Yours sincerely,

Michael Goldsworthy  
Chairman  
Better Boards

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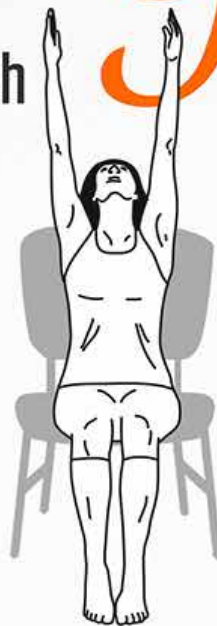
# 3-minute seated Yoga

www.nhs.uk  
**NHS**  
choices

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@ darebee.com  
30 seconds each



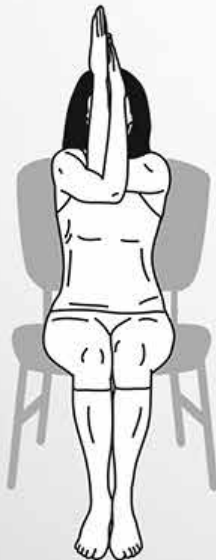
body fold



stretch up



alternating side stretch



alternating lotus twist



alternating lift & reach



alternating half lotus

# Speakers in 2020

## YOUR MASTER OF CEREMONIES



**Yvonne Adele** is an accomplished small business operator and entrepreneur, and one of Australia's leading MC/Speakers, whom you may remember as the fiery redhead on the Today Show as their IT Reporter 'Ms Megabyte', or in the national media.

Yvonne will keep us on topic, on task and on time as our MC and will ensure we keep our energy up!



### Alison Maclean

President, NESAY

**"Join the Board She Said, It Will be Fun She Said..."**



### Amelia Walters

National Youth Board Advisor, headspace

**How to Engage Young People for Better Boards**



### Jarrad Hickmott

National Youth Board Advisor, headspace

**How to Engage Young People for Better Boards**



### Brenton Cox

Consultant, nfp finances

**Spirituality in the Boardroom**



### Beth McConnell

Consultant, Beth McConnell Consulting

**Panel Discussion – Our response to rising community expectations in governance**



### Dr Vanda Fortunato

Executive General Manager, Zenitas Healthcare



### Dr Lindsay McMillan OAM

Managing Director, Reventure Ltd



### Mark Hochman PhD

President, Christian Homes Tasmania



### Chris Bertinshaw

Managing Director, Inclusive Boards Pty Ltd

**Rethinking Governance for Social Outcomes Organisations**



### Catherine Daley

Chief Executive Officer, integratedliving Australia Ltd

**Engineering Passion and Purpose from your Board**



### Doug Kimberley

Chair, integratedliving Australia Ltd

**A Transformational Leadership Journey, the pains and pleasures for directors** (presented with Catherine)



### Chris Scott

Director, Turner Scott Consulting

**Decision-making Systems Success** (and)  
**The Underlying Forces that Drive Director Behaviour**



### David Castle

Principal, DF Castle

**Make Your Board for Purpose**



### Jane Arnott

General Manager, Consulting and Business Services, Community Business Bureau

**Adapting to the Impacts of COVID-19 on the Not for profit Sector**



### Jane Boag

Head of Enterprise Risk Advisory, VMIA

**Strategy, Risk and the Role of the Chair**



### Jeremy Irvine

Executive Director, Victorian TAFE Association

**One Book – Thirteen Values – Countless Lessons Learned**



### Jonathan Teh

Principal, Russell Kennedy

**Panel Discussion with Russell Kennedy – Getting governance right in passionate times**



### Dr Michael Bonning

Deputy Chair, GP Synergy



### Cathy Humphrey

Chief Executive Officer, Sacred Heart Mission



### Ben Tallboys

Principal, Russell Kennedy



### Katherine Raskob

Chief Executive Officer, Fundraising Institute Australia

**Fundraising and Risk Management for Boards**



### Michael Goldsworthy

Principal Consultant, Australian Strategic Services

**Custodians and Champions of Community Businesses**



### Megan Motto

Chief Executive Officer, Governance Institute of Australia

**The Risk of Not Managing Risk**



### Phil Preston

Founder, The Collaborative Advantage

**Working collaboratively with New Partners for Sustainability and Renewal**



### Rosie Yeo

Director, Public Affairs Network

**Strategy Alchemy: Surface great ideas and reach powerful agreements**



### Steven Bowman

Managing Director, Conscious Governance

**The Art of Reshaping Board Conversations that Go Off the Rails**



### Vera Visevic

Partner, Mills Oakley

**Compliance and Creativity: the strategic obligations of directors**



### Zac Zahner

Managing Director, Effective Governance

**The Missing Link in Strategy—Director Recruitment**

Panel Discussion

Panel Discussion



# The Discipline in Developing a Winning Culture

BETH MCCONNELL | CULTURE

June 2020



**Culture is the buzzword of current day governance. A panacea for under-performance, inefficiency and conduct risk. Boards and executives are tasked with developing the right culture in their organisation. But we need to talk about what this means in practice for directors.**

There is increasing expectation that directors will get out and 'kick the tyres' to develop greater understanding of their organisation and its culture, empowering more active and meaningful leadership 'from the top' by boards. Yet, boards are also advised to keep their 'noses in and their fingers out' of day-to-day management. So, how do boards best walk the delicate line between oversight of culture and overstretch in practice?

The simple answer is - no one size fits all. Boards and management teams are well advised to discuss and workshop their relative roles and the information flow between them to become better aligned in dealing with challenges in culture. Discussing and agreeing the best approach for your organisation enhances a united focus and connection.

Peggy O'Neal, President of the Richmond Football Club, knows all about the power of culture built upon strong governance. In 2017 the Richmond Football Club won its first AFL Premiership in 37 years, after finishing 13th on the ladder in 2016, going on to win a further Premiership in 2019. Strong culture, governance and teamwork, along with an unwavering focus on a singular purpose, have all been credited as crucial to this long-awaited success. The board's leadership through governance, financial and off-field challenges has been recognised as

providing many lessons for a broad range of organisations seeking to achieve their strategic objectives.

I tackled the challenge of culture with Peggy, the first female President of an AFL football club, over social distance and she generously shared her reflections from the heart of Tigerland.

## **Let's start with the basics, how do you define culture?**

Peggy simply and powerfully states 'governance is culture', essentially it is 'the way you do things'. This concept has become increasingly evident to Peggy over her many years' experience on boards.

This is a truly powerful reflection - this thinking empowers each board to understand the impact it can have on the culture of its organisation. Governance is more than just frameworks and policies but, as Peggy reflects, the way decisions are made.

So, boards should take the time to reflect on their role in governance and culture. And ask themselves, does our board ensure it has the right information to make decisions? Does it respect and hear all views? Does it place the right emphasis and time on the things that really matter to our organisation and convey value in doing things the right way?

## **How do you develop a strong culture?**

Notably, Peggy reflects on the importance of the board and the executive working together; it is not 'us and them'. Trust is crucial.

In building and maintaining trust it is important to think about how the board and executive team are going to work together. Peggy advocates merit in developing



a framework reference tool for responsibilities and emphasises that all organisations need to 'cut the cloth to what fits'.

Flexibility is important too, Peggy stresses, as well demonstrated by the many boards undertaking more regular briefing sessions in response to COVID-19, to ensure that all directors are fully informed, providing appropriate support to executives and remain capable of making timely decisions as required.

Boards need to take account of the requirements of their Constitution and may consider formal delegations to their CEO. A NFP organisation with limited resources may agree that the board play a greater advisory role with particular responsibilities based on the range of skills of directors.

### **What are your tips for getting insight into the culture of an organisation as a director?**

Peggy emphasises the importance of trust between the Chair, the board and the CEO as crucial to good governance.

As a board you must hold your CEO accountable. But Peggy also warns that it is important for a board not to undermine its CEO. Directors should generally deal with executives through the CEO, keeping the Chair in the loop.

Boards should consider developing a Code of Conduct for the rules of engagement between the board and executives, with simple rules about how to work together, to ensure the maintenance of deep trust.

CEOs should adopt the often-quoted 'no surprises' approach to communication with the board. Non-executive directors cannot possibly know all that happens in an organisation, so getting the information flow right is crucial.

Boards may agree to formalise some reporting guidelines to ensure adequate and appropriate reporting.

Boards remain responsible for ensuring they receive targeted and appropriate reporting.

### **How does a board lead the culture and avoid stepping on the toes of management?**

Boards must remain mindful of not interfering with the role of management. Peggy warns that a 'whisper in the boardroom can become a hurricane down the corridor'. Peggy quotes a simple example of a director casually questioning an executive as to whether a particular budget has been fully utilised, may lead to unnecessary fear that budgets are about to be cut by the board.

For this reason, it is important for the board to support the CEO and for individual directors to ensure personal communications are not confused as representations by the board.

Peggy emphasises boards should determine, and maintain, appropriate channels of information. Agreeing and formalising the role of directors and executives, and the interaction between them, assists with role clarity and forging strong connections and trust.

Individual directors too should always remain mindful that they are part of a collective decision-making body and caution must be exercised when they are dealing with employees of the organisation.

From a governance perspective, it all comes back to role clarity, trust and an appropriate flow of information. The challenge for boards is to be effective in holding management accountable for culture, without micro-managing or overburdening executives with reporting requirements. Collectively committing to clear roles and information flows as a board and executive team can lead to a winning connection in practice.

*With thanks to Peggy O'Neal for her insightful and generous reflections. Peggy is an experienced board director and President of the Richmond Football Club. In the NFP sector, she is on the board of Women's Housing, the investment advisory panel of Home for Homes and an ambassador for Opportunity International. She has been named one of the Financial Review/Westpac 100 Women of Influence and one of Women's Weekly 50 Most Powerful Women in Australia.*

*Beth McConnell provides a range of services to boards, including board reviews, training, tailored workshops and facilitation – bridging the gap between theory and practice. Beth focuses on improving the way boards and executive teams work together, to empower them to achieve their organisation's strategic goals. Beth is an experienced corporate governance adviser having worked in management consulting firms specialising in governance, leading corporate law firms and in-house with superannuation funds.*



**Beth McConnell**  
**Corporate Governance Consultant,**  
**Beth McConnell Consulting**  
Beth is chairing the opening panel presentation on Sunday morning.

# Which Comes First – The Purpose or The Behaviour?

BRENTON COX | PASSION & PURPOSE

May 2020



**The theme of the Better Boards Conference for 2020 is ‘passionate directors – purposeful boards’. The conference website neatly defines a ‘purposeful board’ as one that is “united, collegial, focused and disciplined, led by a chair who not only facilitates discussions and decisions, but is guided by strategy, KPI’s and timeframes.”**

One might gauge from this definition that contrastingly, a board that lacks purpose is therefore divided, argumentative, disinterested and irrational. Whether or not the chair of such a board ‘facilitates discussions and decisions’ is then a moot point. In such a scenario, the task of establishing and maintaining any higher-level sense of collective purpose is going to be difficult. The influence of the lower-level negative behaviour is inevitably going to drag the whole ship down.

## An interesting question

This raises an interesting question. Does having a strong, shared purpose drive the positive behaviour of board members, or do the positive behaviours themselves (united, collegial, focussed and disciplined) serve to foster a strong sense of purpose? Which comes first, the chicken or the egg? Should we focus our efforts on purpose alignment or should we give priority to working on the culture and behaviour of the board, in the hope that the shared purpose will then emerge?

Boards are interesting beasts. For years now I’ve been running training sessions for boards of not-for-profit organisations and charities and I’ve always been intrigued by the culture of a how a particular board is

operating. All boards have cultures – whether they’re aware of it or not.

For an external party coming in, sometimes the underlying tension within a room full of board members is palpable.

*Sometimes that which is not said overrides anything and everything that is said.  
Body language rarely lies.*

At times, there isn’t just a proverbial elephant in the corner of the room, there’s a large herd of them.

## Two examples

In 2019 I spent some time with the boards of two not-for-profits, that were both fairly dysfunctional but for very different reasons. The first was a small organisation with a board of about eight people. They ranged nicely in ages and experience and there was an even spread of males and females around the table. Any semblance of effectiveness though was hijacked by a loud, opinionated and dominating chairman, who clashed regularly with another, equally-fiery elder stateswoman of the group. It was all-out war at times and it cast a dark shadow over everything they did. It was more than just differences of opinion. It had become personal.

The second organisation had a larger group of board members and on the surface, everything was fine and dandy. Everyone smiled and they seemed to get along together but there was definitely something missing. It was as though they were there in spirit only. They were physically present but it wasn’t from the heart. A





number of them were just going through the motions. I found out later that some of them had been coerced into joining the board, somewhat against their will. They were disinterested. They didn't want to be there.

In both cases, it was the purpose that suffered. Each of the boards were distracted and under different guises, they were playing behavioural games. Although it wasn't surprising to witness – many boards struggle to effectively function in the face of personality clashes, hidden agendas and emotional triggers - it was nevertheless sad to observe.

What can we learn from this? If we want to be part of a purposeful board that rises above the minutia of petty behavioural differences, what can we do? Here's a few suggestions:

**1. Continually work on the culture** – either a culture evolves by deliberate design or it develops of its own accord. Get to know each other. Go away on an annual retreat. Understand each other's personalities.

**2. Develop a values document** – that covers board meeting protocols, the way we talk to each other, the way we listen, how we make decisions, how we acknowledge

each other, how we deal with our differences, etc.

**3. Always remember why the board exists** – include the organisation's purpose at the top of every board meeting agenda and read it aloud. Never forget the underlying reason for why the board is there.

### Conclusion

So, which comes first – the purpose or the behaviour? It's a tricky question and perhaps there really isn't a definitive answer. When pressed though, I'd lean towards the egg (the behaviour) and not the chicken (the purpose). It's amazing what can be achieved when a group of board members get out of their own (behavioural) way, treat each other with dignity and respect, and align for the good of a common cause. It's what the role of a board member is all about.



**Brenton Cox**

**Consultant, nfp finances**

Brenton is presenting a session on spirituality in the boardroom.

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# Diversity and Inclusion in the Boardroom

CHRIS BERTINSHAW | BOARD DIVERSITY

May 2020



**The twin concepts of *diversity* and *inclusion* were rising to overtake ‘culture’ as the leading ideals for organisations at the close of 2019. There is no doubt that they will take a back seat for a while as Australian companies respond to the challenges of the COVID-19 pandemic.**

We will be changing many of our traditional ways of doing things (culture) on the other side of this pandemic.

*Now is the time to embrace D & I, meet its cousin ‘belonging’ and see if we can launch into the post virus world fully engaged with our stakeholder communities.*

Indeed, Kevin Dolan et al, in a recent McKinsey Report, say it will be crucial for recovery.<sup>1</sup>

“Diversity is incredibly important, and not just gender diversity. We need to ensure that we have people with a diversity of technical skills and capabilities, diversity of age, as well as those who have the scars from decisions that didn’t go so well”<sup>2</sup> says Richard Goyder AO.

The argument is made that the board should incorporate a range of skills suitable for the business of the company and that the directors should be drawn from a broad cross section of society.

Consider however, companies that provide products and services for particular sectors of the population.

Helen Nash argues for a customer advocate voice in the board room as this enhances the organisation’s customer centricity.<sup>3</sup> For example; should the diversity in the board room be the same for a company providing farming equipment as a company providing kitchen equipment? We might think of the customer being mainly men in the first case and in the other mainly women. We base these assumptions on what we observe around us, including what we see in the media. However, who makes the buying decisions and how are they made? Answering these questions helps us to be ‘customer centric’. Fred Geyer argues that there are ‘four paths to purchase’<sup>4</sup> namely, *Habitual, Discovered, Delegated and Considered*. Directors should understand the path their customers are on, and how to embrace them.

Board diversification which incorporates target customer representation enhances the planning for the future but does not necessarily enhance the compliance roles. Here lies a cultural problem. Boards tend to spend more time on past and present performance (compliance) and precious little on future planning. There is no pressure to diversify a board that rarely looks at future strategy and policy making for tomorrow. Could it be that such companies will not survive COVID-19, not because of the economic impact alone, but because they have spent precious little time on future strategy, planning and resourcing? Could this be the real problem behind Virgin and the NRL?

Mandi Wicks, the Director of audio and language content at SBS, says “There is an increasing acceptance that Australia at its core is a very diverse country. There is enough research to show that if you allow staff to bring their ‘whole self’ to work, be it their culture or their faith, that has good business outcomes, regardless of the purpose of the organisation”.<sup>5</sup> This bringing of your

'whole self' to the board room – where diverse opinions, viewpoints, approaches and styles are encouraged is the key to inclusion.

Note however, that this '*inclusion*' is a vague concept, partly because the word is used alongside the stronger '*diversity*'. Some commentators refer to it as nothing more than '*doing diversity*'. Literally appointing people of different backgrounds and opinions. Dr Anita Sands<sup>6</sup> puts it like this, "Diversity is a fact (the numbers are what they are), inclusion is a choice (you decide whether to include someone or not)". When you apply this definition of inclusion, you have to then add 'belonging' to incorporate the sense of worth; of value in everyone around the table. Dr Sands goes on to say, "but belonging is a feeling that can be enforced by a culture that you can purposefully create.

*The best thought out D & I strategies will go so much further in cultures where people feel they belong because when we're seen and valued for who we really are – our own unique and authentic selves – we thrive, and so do the people around us."*

However, what if '*inclusion*' were thought of as the result of how we treat others – particularly those who are different to us? What if it is not just 'chosen' but 'included'? And to be included, you are accepted, respected, welcomed and encouraged to participate.

Whereas '*diversity*' describes the mix of people around the board table, '*inclusion*' is the value that allows each person to participate as themselves. The result of which is a feeling of 'belonging.' *Inclusion* as a value, needs to be championed and actively upheld, so how do we understand it?

*As a value, inclusion is an ideal that directors hold in common. Just as those gathered around a board table regard values such as honesty and integrity – as ideal traits of their fellow directors, so too should be inclusion.*

Values are shaped by our outlook on life and the relationships of ourselves to others. Inevitably, we feel most comfortable in the company of people who share the same values as ourselves. The value, *inclusion* is

found in a director's concept of themselves and their attitude to others. It involves the placing of worth in others regardless of how that other person presents. It's positive 'value judgement'.

For us to be truly *inclusive* we have to be aware of our own biases, attitudes and failings (recognising and accepting them) and be prepared to place in others a level of worth that demands our close attention to them and an openness to hear their contribution. To be *inclusive*, one must value others; one must credit them with the same level of importance as everyone else regardless of other presenting characteristics.

The challenge to embed *inclusion* as a value in a board is complex. It will take extra time, cause extra debate, involve challenge to our ideas and effort to counter them, but at the end of the day, directors will feel that they belong, and superior outcomes will be achieved.



**Chris Bertinshaw**  
**Managing Director,**  
**Inclusive Boards Ltd**

Chris is presenting a session on rethinking governance models.

<sup>1</sup> Dolan. K, Hunt.V, Prince. S, Sancier-Sultan. S. *Diversity Still Matters*, McKinsey Quarterly, May 2020.

<sup>2</sup> Goyder, R. AO *Issues facing directors today as they prepare for the future*. AICD Governance Summit 2020 Reader p 165

<sup>3</sup> Tarrant, D. *6 Tips for becoming a customer-centric organisation*, Company Director Aug 2019

<sup>4</sup> Geyer. F, *Paths to Purchase*. *Marketing Management*, Spring 2010 pp24-29

<sup>5</sup> White. S, *Diversity is Important, but inclusion is the key* SMH 11 April 2020 p8.

<sup>6</sup> Sands. A, <https://medium.com/@AnitaSands/diversity-and-inclusion-arnt-what-matter-belonging-is-what-counts-4a75bf6565b5>



# Making Boards Fit for Purpose

DAVID CASTLE | BOARD RENEWAL

June 2020



**Many successful organisations have not, until now, had to navel gaze – or change. Why worry if you can keep doing the same thing successfully, year after year? However, post Hayne and post COVID-19, the landscape has changed. “Good old boys drinking whisky and rye”<sup>1</sup> should no longer govern even the local cricket club. No organisation can ignore the requirements of corporate governance, risk management and the changed landscape – post COVID-19.**

Virtually the same laws apply to the local cricket club and BHP; incorporated associations and companies limited by guarantee. The part-time voluntary chair of a not-for-profit became liable to repay \$97 million to the bank, for breach of the insolvency trading laws.<sup>2</sup> So no one is immune from the law.

Change starts at the top, and directors bear the responsibility and liability.

That is **why** boards must be fit for purpose – and may need renewal.

## Summary

This article will concentrate on three main areas:

- Purpose
- Performance, and
- Criteria.

## Terminology

Most not-for-profits are either companies limited by

guarantee (governed by the Commonwealth Corporations Act) or incorporated associations (governed by State law). I will use corporate language, because it is better understood:

- “board” to include committee
- “director” to include committee member
- “chair” to include president,
- “finance director” to include treasurer and
- “organisation” to include association and company.

For even the smallest not-for-profit to be taken seriously in 2020, corporate language should be used. This can either mean changing your constitution or just adopting corporate language in your day-to-day transactions. No need not change from being an incorporated association to a company limited by guarantee – unless the time, cost and disruption is justified for other reasons.

## Performance

To evaluate the performance of the organisation, board and each director:

- Start with purpose - as the yardstick for measuring performance
- Then assess performance against that yardstick.
- Finally fill the gaps and remedy the defects.

## Purpose

The purpose of the organisation should be clearly stated and understood by the board and all stakeholders<sup>3</sup>. Whether contained in the mission statement, vision, values or objectives it should be short, sharp and



memorable. For example, the purpose of the local cricket club may be: *“To promote cricket in the local community”*. The purpose of one of my boards is: *“To enrich the lives of young people through the transformative power of live theatre”*.

The cricket club will not achieve its purpose if it suffers adverse publicity, for example from allegations of bullying. Less drastic failures are not so easy to measure.

For the board to achieve the purpose of the organisation, each director should contribute their skill, experience and time – so that the board can function without too many gaps and with all directors contributing to fundraising.

## Assessment

### Organisation

Performance can be assessed in many ways, quantitatively and qualitatively. Quantitative measurements (for a cricket club) include: financial success; number of players enrolled; number of games won; number of spectators attending games and number of members. Qualitative measurements are more difficult: enjoyment by players and spectators; favourable coverage in the local press; awards received, et cetera. Every organisation will measure its financial performance annually. Not every organisation will measure intangibles, such as quality. But these may be equally important. The Hayne Royal Commission dwelt at length on non-financial criteria. Very recently two separate enquiries into the Westpac money laundering debacle resulted in the following comment by the Westpac chairman:

*“Taking account of all that, we just need to raise our game generally but specifically on the management of non-financial risks and compliance”*<sup>4</sup>

### Board

The success or failure of the organisation will flow from the success or failure of the board. Was the board united, did it meet often enough or too often, was it effective, was there an appropriate interaction with management, was there the right mix of skills et cetera?

The performance of the board should be measured at least annually. This could start with a self appraisal questionnaire followed up by an interview with each director by the chair or an outside consultant.

### Directors

Generally each director will bring skill, experience and time to the board table. Each director should also help with fundraising – or directly contribute. These factors can all be assessed. A matrix of skills (see below) will identify gaps in the skills required. Skill in fund-raising should be a special priority but all directors should contribute (time – if not money).

## Criteria

In my opinion, each director should bring to the board table:

- Skill
- Time and
- Money

Money and time are the two most important resources. For example, a wealthy cricket club could afford a professional coach, manager of communications, chief financial officer and head of operations. A poor club may only be able to afford a part-time secretary/manager. For the poor club the gaps will have to be filled by volunteers, particularly board members. However all organisations will require time at board level and most will also require money – or a commitment to fundraising by every director.

## Skill

A lawyer, or person with legal training, will help you navigate the minefields of corporate governance and risk management. An accountant, or person with equivalent training, will help with solvency and the myriad other financial issues.

Having filled those roles, the organisation should look for people with skills in marketing, communications, fundraising and IT. Then look for specialists in the area in which the organisation operates. For example, former cricketers for the cricket club and former actors for the theatre company.

Each organisation will be different. But there will always be a need for qualified and experienced people as leaders and active participants. Also the modern board should consider diversity – age, gender and ethnic. Additionally there is always a need for succession planning.

## Time

The amount of time required should not be underestimated. The more time the board can provide, the less time the organisation has to pay for. I believe that, averaged over a year, you should look for suitably qualified people who can be available (in some capacity) for up to 4 hours per week. This is a big commitment, but an important consideration.

By way of compromise, some of your professionally qualified board members may not have this amount of time to give, but all board members should be aware that their volunteer time will save money for the organisation. The multiplicity of work (particularly between meetings) should not just be left to one or two willing board members.

*Continued...*

continued from page 13

All directors should be prepared to contribute online and off-line throughout the year. COVID-19 has taught us how much can be done outside formal face-to-face meetings. Time for face-to-face meetings can be saved, as well as travel time. So COVID-19 has created opportunities as well as problems.

### Money

Traditionally, the boards of many not-for-profits were philanthropists. These people are hard to find – and are not necessarily best suited to running modern organisations.

At the very least, each director should commit to help with fundraising, in any way possible.

### Board Responsibilities

These include: strategy, appointing and evaluating the performance of the CEO; financial sustainability; protecting reputational risk; managing stakeholder expectations and risk management generally. These responsibilities dictate the need for legal and accounting skills, among others, at board level. Communication and IT skills have been highlighted by COVID-19.

### Why Assess?

Assessment will provide evidence of whether the board is fit for purpose. It is usually necessitated by declining profitability and the need to try something different. For example, the cricket club may need to investigate paying for professional coaches, rebuilding the clubhouse, modernising its website, improving communications and fundraising (to pay for all these improvements). The “good old boys” and girls may not be the right people to take the organisation into the 21st century. New plans may necessitate new people.

### Recruitment

It's difficult for most NFP's to recruit the “right” people as unpaid directors. Most struggle to get sufficient volunteers to even form a board. Railroading friends to make up the numbers was acceptable in 2010 but not in 2020. So, how can change be achieved? How can the right people be found?

Farewelling volunteers, who may have served since inception, will be difficult. COVID-19 may provide the opportunity for board assessment and renewal. Many organisations will have seen the need for change, over the period of lockdown. The pandemic provides a reasonable excuse for board renewal in the brave new world.

The real challenge will be to find the right replacements.

All boards require effective chairs, secretaries and finance directors. These are vital but generic positions. Once filled, each organisation must then look for people with specific skills – as referred to above.

### Job descriptions

The job description should precede the person, rather than vice versa. Start with the role and then try to fill it. A board skills matrix is a good way to assess the skills needed, before filling the gaps.

### Takeaways

- Define the **purpose** of your organisation,
- Measure **performance** against purpose,
- Seek directors who have the **time** as well as the skill to fill vacancies and
- All directors should contribute (time, if not money) to **fundraising**.

I can only end by wishing you good luck with your reform agenda, change management and board renewal.



**David Castle BA. LL.M**  
**Solicitor,**  
**Sydney**

David is presenting a session on board renewal.

<sup>1</sup> Don McLean *American Pie*

<sup>2</sup> *Commonwealth Bank v Friedrich and others* (1991) 9 ACLC 946

<sup>3</sup> Australian Institute of Company Directors (AICD): Not for profit governance principles – principle 1

<sup>4</sup> Westpac chairman, John McFarlane, as quoted in the SMH 5 June 2020

# Talk Strategy: How Chairs Drive Powerful Strategy

ROSIE YEO | STRATEGY

June 2020



**“In the long history of humankind (and animal kind, too) those who learned to collaborate and improvise most effectively have prevailed.” Charles Darwin**

How many times in a year do you attend or chair a “Strategy Meeting”? This could be your organisation’s formal annual planning session, or a meeting to address a particular challenge, or perhaps your regular meetings are all called strategy sessions.

How often do you walk away from one of these meetings genuinely inspired and excited about what will come next for your organisation?

Any session with strategy in the title should be a powerful meeting. It should resolve key challenges, set the scene for future success, and reach genuine consensus on the pathway forward. But all too often, strategy meetings gloss over repeat issues, spend too much time just canvassing work in progress and end up with “lowest common denominator” agreements.

Powerful strategy is strategy that changes organisations, individuals and even communities for the better. To achieve powerful strategy you need a great idea, a clear pathway to implementation, and it needs to become a “shared story” – people understand and are committed to both the great idea and how to achieve it. Constructive, creative conversations are key to creating these three elements of powerful strategy.

Board Chairs and CEOs are often natural strategic thinkers – but having all the answers is not the same as leading others through a journey of discovery where you all end up at the same point at the same time.

The formal strategic planning meeting is not the only time organisations innovate – otherwise we would live in a very slow world! But strategy meetings should be significant milestones along the journey – meetings which celebrate progress, throw new light on issues, re-set and re-energise.

Even if you are an expert in Board meeting processes and regularly chair meetings, doing a few things differently

can encourage the creative thinking needed for powerful strategy.

## Adapt your mindset:

- Encourage everyone to walk in with curiosity, rather than assuming they, or you, need to know all the answers at the start.
- Be comfortable with complexity – sometimes we jump too quickly to try to reach agreement rather than exploring the divergent ideas that can prompt innovation.
- Promote democracy of ideas – if it’s a joint Board and Executive planning session, then run the session so that everyone has an equal voice and feels equal ownership of the outcome. (This does not subvert the Board’s role in determining strategy – as the results of the process can still require formal Board decisions at a later date.)

## Adapt your approach:

- Use a different space or use your existing space differently. You could remove the Board table for this meeting or spend some time in smaller group clusters. (Don’t use beanbags because they are much too uncomfortable – unless you’re under 25 and/or the proud owners of a tech unicorn!)
- Ask questions differently and gain input differently, for example by using visual cues and creative prompts.
- Use a framework but keep it simple – for every section of the meeting, be clear about the key question you are trying to answer
- Prior to your session, invite an outside speaker with a challenging view, or involve a customer, supplier or other stakeholder for a short pre-session discussion to hear their perspectives on the environment in which you’re operating.

Changing your mindset and a few of your methods can increase the quality of your strategic conversations with your teams, Board and stakeholders.

The way we talk about the future changes the future we create. So the way we talk about strategy matters. Let’s expect more of, and invest more effort in, our strategic conversations.



**Rosie Yeo MBA(Exec), BA(Hons), GAICD  
Director,  
Public Affairs Network Pty Ltd**  
Rosie is presenting a session on  
strategy alchemy.



## PHIL PRESTON | SUSTAINABILITY

Looking into and evaluating new and strategic partnerships - especially corporate ones - raises the question of structured versus unstructured processes. Innovation





is generally thought of as an exercise in unbounded creativity, however there needs to be sufficient boundaries or parameters in order to increase process efficiency and effectiveness. Suggestion boxes don't usually lead to great innovations because there are too few conditions attached - they end up becoming wish lists or complaint mechanisms.

As I outline in *Connecting Profit With Purpose*, there are three distinct phases: ideation, development and implementation. For brevity I'll mention two of the five main ideation approaches: start with your own agenda and the assets, skills and strengths you possess, looking for opportunities where they'd add the most value to corporate partners; or alternatively, scan the business environment around you, compiling a long list of their challenges and identifying which ones could or would benefit from your involvement. Corporate partners will be more engaged if there's a potential return on investment, which could take the form of improved productivity (cost reductions) or growth (competitive positioning, market share, new products and markets).

When you have a list of starting ideas, the second phase involves weeding out the finalists by applying a predetermined criteria such as the consideration of mission relevance, materiality, confidence, urgency,

complexity, equity, timeframes, risk levels and so on. From this point you start building out the business case.

Capability building for these first two phases will help your leaders take on new challenges and while it may not be totally new to them, it will help formalise their thinking and provide a common 'language' for development within and beyond your organisation.

### Meeting the funding challenge

There are no magic bullets here. Tackling resourcing challenges through innovation and change is hard work and if it doesn't feel uncomfortable then you're not doing it right. As organisational structures decentralise and processes become more open, the task should fall to collective groups rather than specific individuals.

Increasing your leaders level of focus on outcomes, curation of conversations and optimising exploration processes serves as great preparation.



**Phil Preston**

**Founder,  
The Collaborative Advantage**

Phil is presenting a session on collaborative partnerships.

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# What Is It About the Role of the Chair?

JANE BOAG | BOARD ROLES

June 2020



**Once upon a time there was a Board member who was passionate and diligent but inexperienced and naïve who was asked to take on the role of Chair of the Board.**

**“I’m really flattered. I don’t really know what I have to do other than chair some meetings, so how hard can it be?” they thought to themselves.**

A fairy tale it might appear to be, but this was me. Twenty years on, I reflect on my transition from well meaning board member with little experience to having held the role of chair on a few occasions in my career.

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*At one level, the chair is no different to any other board member.*

*We come to the table as individuals, with our own set of skills, knowledge, opinions and bias but we make decisions collectively and are equally accountable for the decisions made by the board.*

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In reality, the role of chair brings with it other responsibilities. Deciding who will chair your organisation should be a considered process; not just appointing a person who has time on their hands, has been on the board a long time or wants to have the experience noted on their resume.

So, let’s explore a few of the things that sets the role of the chair apart:

## **Own the role and set the tone/rules**

A well performing chair is a leader; a leader to other board members and a leader to the CEO. Chairs who act in line with positive organisational values, hold others to account in also acting in line with values, and who find ways to extend those standards across the organisation through oversight of policies, procedures and communications are setting the culture.

Creating time on the agenda to discuss culture and its drivers shows commitment and understanding of the true impact of culture on organisational outcomes. The chair, in setting the agenda can instigate practices such as staff presentations, client stories, site visits, survey’s, reports on turnover and complaints that all generate discussion about culture and its impact.

## **Always come back to purpose & objectives**

The chair, as leader of the board can draw attention back to purpose and objectives in any discussion, but especially when making significant decisions such as new partnerships, services or investments. In doing so, the chair can anchor the organisations strategic intent; it prompts the question of whether the strategic objectives remain valid, contemporary, accurate and understood. It also allows discussion about what could distract attention from achieving what we set out to do. (I am also saying that organisations should change their strategy if needed. Not necessarily the glossy published strategic plan, but the detail of what the organisation is really working towards can be amended in line with changed circumstances.)



### Integrate risk management

Risk management is everyone's responsibility so the chair can lead discussion that facilitates the exploration of risk identification and management.

*For the most part, the chair will want to ensure that risk related discussion is focused on what could stop the organisation achieving strategic objectives; being future focused and forward thinking.*

The chair will also have a role in ensuring that the operational aspects of risk management, including governance systems such as committees and reporting structures are in place, and that policies and procedures are regularly reviewed, fit for purpose and meeting compliance standards. And there are times when the board needs to spend time looking at transactional risk management activity such as incident and audit reports. The chair's role here is to encourage the board to look for the insights from transactional data; what are the trends?, how do we stop this?, how do we repeat this?, rather than focusing on the specific incident.

### Know enough about the business & context

In order to lead discussion, the chair needs to take time to fully understand the organisation and the context in which it operates. Seeking ways to stay abreast of what could impact the organisation, through networks, memberships and subscriptions across a wide range of areas that might intersect the organisation, will assist the chair in leading and contributing contemporary knowledge to the discussion.

### Know other board members and draw on diverse thinking

By knowing the story of each person at the table, the chair can pre-empt, accommodate and (I mean this in the best way) exploit individual needs, strengths and knowledge. Quality decision making implies having thought through an issue and explored it from multiple perspectives. We often think of diversity at the board table as representatives from diverse groups, such as gender, ability, social or ethnic background, but don't forget the reason behind bringing these people together is diversity of thinking.

### Promote constructive debate/discussion

The chair, in chairing meetings and assisting to shape the agenda has the task of leading discussion. This

means that the chair can invite people to comment, take a proactive role in leading a discussion or hold back their opinion until others have spoken, and can provide additional information or suggest a provocation in order to challenge thinking. Usually unity of thinking is not of concern, but boards who do not professionally and constructively debate issues may leave themselves open to risks or not thinking through mitigation strategies.

### Mentor and support the CEO

The CEO reports to the board and has clear accountabilities to run the organisation. The chair is the primary contact for the CEO and this relationship requires a particular balance of trust and collegiate respect. It is not a relationship of friendship but needs to be friendly and professional. The chair should provide the CEO with support; be a sounding board and mentor. This can be done by anticipating the board's response, advising the CEO on the type and level of preparation the management team needs when presenting to the board, sharing personal insights and promoting the CEO's ongoing professional development.

### Be available

Organisations are dynamic and the chair has a pivotal role in linking the management team with board. Being available and responsive to address issues, provide guidance, test ideas, share concerns, sign things, distribute information, seek input or decisions from others in this 24/7 world we live in, is critical to the success of the organisation.

While there is no guarantee of a universal point of view in the boardroom (in fact, diversity of thought and input is to be valued), a breakdown of capacity to find unison in decision-making among leadership will commonly lead to lack of control and damage to the organisation.

Think about the long-term. Utilise the many resources available, both with foresight and insight and work back to your collective voice.



**Jane Boag**  
**Head of Enterprise Risk Advisory,**  
**VMIA**

Jane is presenting a session on strategy, risk and the role of the chair.



# Compliance and Creativity: the strategic obligations of directors

VERA VISEVIC | DIRECTORS DUTIES

June 2020



**One of the main roles of a not-for-profit (NFP) board of directors is to develop and cultivate a long-term strategy for the organisation, which furthers the objects of that organisation<sup>1</sup>.**

Despite the fact that directors appreciate that strategic planning forms part of their role on the board, directors often err on the side of caution when strategising, or avoid developing a strategic vision for their organisation entirely. Reasons for this include:

- Concern that poor business decisions may result in a director being civilly or criminally liable for breach of their duties;
- A fear of change;
- Previous frustrations with management when implementing strategy; or
- A lack of accountability for not strategising.

This brief article will explore directors' duties of acting in good faith, as well as the duty of care and diligence, encourages directors to be brave in formulating a strategic plan for their organisation.

Whilst it is true that the standards imposed on directors are significant and require directors to make carefully balanced decisions, directors should be comforted by the fact that some of their duties require them to develop strategy and take risks. The two main directors' duties that relate to strategic thinking include the duty to act in good faith in the best interests of the organisation, and the duty to act with care and diligence. Both of these

duties require directors to be concerned with the long-term future of the organisation, which involves strategising. Hence, directors should view strategising and risk taking as an integral part of their duties.

## **Duty to act in good faith**

Directors must act in good faith in the best interest of their organisations.

*One way to act in the best interests of the organisation is through strategic planning. This is due to the fact that strategic planning is known to increase revenue,<sup>2</sup> increase member satisfaction, attract both a motivated Chief Executive Officer (CEO) and talented directors, and prepare an organisation for changing environments.*

Directors of NFPs must ensure that their organisation acts according to its objects, in order to fulfil its purposes. This usually involves acting in the best interests of beneficiaries and clients.

In the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (**Banking Commission**) Final Report, Commissioner Kenneth Hayne commented on how some for-profit organisations chose to prioritise making profit over the interests of their customers.<sup>3</sup> Hayne suggested that the



interests of an organisation's customers fall within the purview of the interests of the organisation. Organisations must become 'customer-centric.' Similar findings have been alluded to in the Royal Commission into Aged Care Quality and Safety Interim Report.

As NFPs are unable to pursue profit, following the Banking Commission, directors of NFPs are reminded that their organisation and practices should be customer-centric, in order to satisfy their duty to act in good faith. This is because acting in the best interests of the organisation involves considering the interests of the beneficiaries and clients.

### Duty of care and diligence

The duty of care and diligence also provides directors with some flexibility in order to make informed strategic decisions for their organisation. Within this duty lies the 'business judgment rule' (**Rule**) which may be used as a defence for directors develop and implement a strategy, which in hindsight appears to have been a poor decision. The Rule was established to ensure that innovation was not stifled by directors not wishing to take any risks, in fear of personal liability. The courts appreciate that directors will often make decisions with incomplete or limited information and in tight time constraints.<sup>4</sup> The Rule therefore acts as a 'safety-net' to protect honest directors from the risks which are inherent to making business decisions.

A 'business judgment' is any decision in respect of a matter relevant to the business operations of an organisation. This means that the Rule can only be applied as a defence by a director who has made a business judgment.<sup>5</sup> For example, in *Gold Ribbon (Accountants) Pty Ltd (in liq) v Sheers* [2006] QCA 335, a director could not rely on the Rule as a defence for not participating in board decisions because he did not wish to disagree or challenge the status quo.

In *Australian Securities and Investment Commission v Mariner Corporation Limited* [2015] FCA 589, whilst the directors were held to have not breached their duty of care, the Federal Court held that the Rule could have been used as a successful defence. This was because each director had a reasonable belief that the business judgment would be in the best interests of the company, each director had considerable corporate law experience, legal advice was received on the business judgment, and the potential benefits far outweighed the potential risks.

In light of this, what should directors consider when strategising? Directors must create a transparent culture where risk and strategy are discussed and embraced. The board should also not be seen as a 'rubber stamp'; rather directors should have a complete understanding

to make informed decisions. Directors will also have difficulty breaching their duties if they act within their organisation's objects.

Further, directors are able to strategise and limit their liability for breach of duties by:

- Recording detailed minutes when making business judgments which demonstrate how a decision was made;
- Having a clear understanding of the financial position of the organisation;
- Considering the rights and any responsibilities owed to various stakeholders, and developing a 'customer-centric' attitude which is reflected in governing documents;
- Considering the impact of any decisions made on the organisation in the coming months and years, including the impact of not making that decision; and
- Ensuring management understands their role in implementing strategy.

Ultimately directors should not be so cautious as to never take justified risks or formulate and implement a strategic plan for their organisation. Whilst directors must be aware of the risk of liability if they breach their duties, so long as directors act in good faith in the best interests of their organisation and with care and diligence, they will remain compliant with the law.



**Vera Visevic**  
**Partner,**  
**Mills Oakley**

Vera is presenting a session on the strategic obligations of directors.

<sup>1</sup> Westlaw AU, *Not-For-Profit Best Practice Manual* (online at 12 June 2020) The Board or Committee of Management, 'The function of the Board/or Committee' [10.1.402].

<sup>2</sup> GiveEasy, *Innovation Index for the Australian Not-for-Profit Sector* (2019) <<https://www.giveeasy.org/wp-content/uploads/2019/09/Report-NFP-Innovation-Index-2019.pdf>>.

<sup>3</sup> *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry* (Final Report, February 2019) vol 1, 401.

<sup>4</sup> Jason Harris and Anil Hargovan, 'Still a Sleepy Hollow? Directors' Liability and the Business Judgment Rule' (2017) 31 *Australian Journal of Corporate Law*, 7.

<sup>5</sup> Michael Legg and Dean Jordan, 'The Australian Business Judgment Rule After ASCIC v Rich: Balancing Director Authority and Accountability' (2014) 34 *Adelaide Law Review* 403, 420; *Australian Securities and Investment Commission v Rich* (2009) 236 FLR 1, 152.

# Directors Need to Get on Board with Best-practice Fundraising

KATHERINE RASKOB | FUNDRAISING AND RISK

June 2020



**It may come as a surprise to some non-profit board members to learn this, but directors are legally responsible for any fundraising that goes on in the charity they serve.**

Sometimes board directors don't realise or care that this is one of their obligations. Five years ago, in the UK, fundraising methods came under scrutiny as did the aggressive behaviour of some fundraisers towards donors, especially those in vulnerable circumstances. Some of these boards said they didn't know about such tactics.

The scandal resulted in a media and public backlash, as well as a parliamentary enquiry, with some well-known charity boards singled out as examples of what happens when directors are too remote, disinterested or unaware of their fiduciary duties around fundraising. Heavy-touch legislation was consequently foisted upon the UK sector.

Watching from Australia, Fundraising Institute Australia, the peak body for professional fundraising, felt the organisation and local sector needed to be proactive to avoid a similar fate. We convened a sustainability taskforce to review our Code and approved a new one, informed by the International Statement of Ethical Principles in Fundraising, and reflecting contemporary fundraising issues and challenges.

The Code contains measures like not soliciting donations from people in vulnerable circumstances, respecting donor contact preferences and making members responsible for supply chain management to ensure supplier activities don't breach the Code. A Code Authority oversees compliance, and member monitoring comes through a "mystery shopping" program.

Importantly, our Code requires organisational sign off to ensure responsibility for fundraising starts at the top.

According to the Australian Charities and Not-for-profit Commission publication, *Governance for Good*,

*"No matter which way your charity raises money, it's vital that board members understand the obligations that come with receiving money."*

Board members need to understand fundraising operations and ensure appropriate and lawful processes are in place to manage any money raised.

Here are some thoughts on how board members should take responsibility for their charity's fundraising.

## **Build a culture of philanthropy**

Researchers Adrian Sargeant, Jen Shang and Harriet Day, who conducted a study for the institute which examined how senior leadership and boards can support the fundraising function, wrote: "to achieve outstanding growth the board must be willing to invest in fundraising, give personal gifts and take an active role in facilitating the fundraising process."

Building a culture of philanthropy starts at the top, and board members need to lead by example by donating to the causes they serve. The researchers also wrote: "boards also need to step up to support their fundraisers and 'charge' the fundraising system to sustain the belief and energy necessary to succeed."

### Treat fundraising staff with consideration

Boards are sometimes accused of short-term thinking and setting unrealistic targets for fundraising staff. At other times, they make cuts instead of investing in fundraising for the long term. Such strategies can be demoralising and lead to a revolving door of employees as well as problems attracting new staff.

### Contribute to the fundraising strategy

Directors need to be aware of, agree on, set and monitor a charity's approach to fundraising in consultation with senior management and the fundraising team. The fundraising plan should consider risk, charity purpose, values, its relationship with donors and the broader community.

*Sometimes organisations find their fundraising gets into trouble. For example, significant losses have occurred around events that have resulted in more outgoings than funds raised. It's the board's responsibility to be aware of the risks around fundraising strategies and to oversee and set parameters to avoid such risks.*

A way charity boards can avoid problems is by giving a professional fundraiser a seat at the table to provide expertise. So often we ensure that we have an accountant or legal representative, but fundraising is also a profession. Boards should have this skill set as part of the mix.

### Balance oversight with delegation

Boards need systems in place to oversee the fundraising which others carry out on behalf of the organisation. Directors must delegate responsibly so that the charity's fundraising staff, volunteer fundraisers and any sector suppliers should know what's expected of them.

### Identify/ensure compliance with the regulations that apply specifically to charity fundraising

The laws that apply to various kinds of fundraising are detailed and complex and vary across states and territories. Generally, they cover compliance in areas like registering campaigns, licensing and reporting. Board members must also consider reporting requirements to the charities' regulator. They must make sure that fundraising complies to all relevant laws and consider every obligation before starting to fundraise.

Failing to meet those requirements may lead to penalties that can expose the charity and board to risks like reputational damage and personal liability.

### Protect your charity's funds

Board directors must take care that there is strong management of a charity's assets and resources so they can meet their responsibility to protect resources from undue risk and to ensure donations are used effectively for the charity's purpose. This means ensuring your charity receives all the money to which it's entitled and having strategies to reduce risks like loss or fraud.

### Protect donor privacy

Board members must be across privacy laws. Information collected from donors needs to be appropriately stored, protected and used in ways that adhere to privacy laws both here and often overseas. Some boards choose to adopt policies around this. All Fundraising Institute Australia members must comply with our Code around protecting donor information and respecting donor contact preferences.

### Bring donors into the fold

Board members require their own relationships with donors and to be proactive here. It's not just a staff responsibility. That means stewarding and thanking donors often for their generosity. Such gestures can strengthen donor ties.

Fundraising compliance is not a natural obligation, but on the positive side, it can be an opportunity for board members to contribute to their charity's growth by highlighting proper compliance.

Why not educate your fellow board members on why fundraising compliance is an opportunity? Encourage them to discuss it at charity events and in donor, sponsor or corporate partnership meetings. Include it in strategic planning sessions and monitoring. Making fundraising compliance part of the charity's brand tells a story of good governance. And that could increase donor generosity and confidence.



**Katherine Raskob**  
*Chief Executive Officer,*  
*Fundraising Institute Australia*  
Katherine is presenting a session on fundraising and risk for directors.



# Lessons Learned from a Listening Leader

JEREMY IRVINE | LEADERSHIP

June 2020



**“Um, Jeremy, there’s an issue with the data in the Board paper.”**

**So it began. I’d been in the role but days as the new CEO, taking over a team who were finalising a major meeting with our Board, including a significant financial decision that had to be made.**

The words from one of my team stopped me in my tracks. Somehow, the data on which we were framing the paper was wrong. And the paper had gone out, signed off. By me. And – it was now the day before the meeting.

Taking a breath, I analysed the situation. This wasn’t good. I’d checked the data myself. It was right. Except, now, being shown that it wasn’t, I realised the mistake – everyone involved in the preparation of the paper from the initial drafter to me, had assumed that the baseline data we were using was correct. It wasn’t.

It’s in times like these you wish you could crawl into a hole and not come out until somehow, someone fixed the problem and made it all go away. I wanted to be in that hole. Very much.

Except the person who needed to be out, taking control, getting their sh\*t together and leading the team through the mess was me.

At times like this I reflected on former US Secretary of State Colin Powell’s Thirteen Rules of Leadership<sup>1</sup> and of a piece I’d read recently quoting Jane Halton AO PSM<sup>2</sup>, who said “You don’t get the job and the big bucks to do the easy stuff. You are there to do challenging things, sometimes to deliver difficult messages.”

It was crunch time. Firstly, I got the team in and we sorted how the data was wrong. It was a simple miscalculation that had set us awry. From that came the correct information and new figures. And, reflecting on lesson

eight of Powell’s rules (check small things – if only we had from the get-go on this....!), we checked that data again, and again. Then we had a break and regrouped, and individually checked it again – twice – all the same outcome, all fine.

## **Back on track.**

Now for the harder bit – taking responsibility for the mistake. I rang my Board Chair, explained the error, and apologised, noting I would call the Audit and Risk Committee chair and the members impacted. To their credit, the Board Chair was fine – a big relief. And then to the other calls – an apology, explanation, and polite reiteration that the new data was right. Another lesson learned – it’s better to apologise for a stuff-up on the phone (or in person) than an email. My tone conveyed disappointment, my message simple – our bad, I take responsibility, and we’ve fixed it. No buses running over people, no gnashing of teeth – and instead of unhappy emails, a series of quick calls with the handful of impacted members appreciative of the fix and the call.

## **Jane Halton again:**

“One of the key things about leadership is you can’t be somebody else. You can’t mimic somebody else in the role of a leader. You have to be authentic. You have to be open. You have to be humble.”<sup>3</sup>

Jane Halton’s interview one I’ve pinned to my favourites in my browser and the interview one I highly recommend. Powell’s lessons are ones I have on my desk:

Powell’s lessons are simple and remind us as leaders that emotional intelligence and self-awareness go hand-in-glove with data-driven decision-making. Do I agree with them all – no?

For me, sometimes, especially in an advocacy setting, you can’t always get what you want (rule four) and neither should you drive your Board or association in a direction which you, as an association executive, to a position that is untenable or unrealistic. Politics is the art of the possible – good policy advocacy is the science of making the probable the inevitable. Being realistic, open, and pragmatic (and leaving your ego at the door) will maximise influence; being bloody-minded ensures calls from ministers don’t get returned.

The other rule I looked at and went ‘yeah nah’ to is not taking counsel of your fears (rule 12). Sometimes listening to what is scary and asking yourself objectively what’s missing or what would you advise if you weren’t in the role, provides for a brutal reality check. It doesn’t mean one gives in or reads the ‘helpful’ comments on a LinkedIn (or Facebook....!) post; it means really asking yourself firstly the hard questions.





They're just rules – but ones which we can easily look to, remind ourselves of – and ensure we get the pesky (but critical...!) baseline data correct.

How we interpret, critique, and implement those rules is a matter for us all. For me, I've removed those two, among others, and replaced them with Jane Halton's maxims, for example:

You have to be authentic. You have to be open. You have to be humble.

And, above all else, listen.

Leadership for me is an active, constant, self-driven verb. As a leader I try to listen, explain, act and drive.

### So, here's my list of leadership rules:

- 1: Have a vision. Be demanding. Lead with intent. (Colin Powell [CP]/ me [JI])
- 2: Listen. Listen again. And listen again. (Jane Halton [JH])
- 3: The standard you walk past is the standard you accept. (Governor-General David Hurley)
- 4: Ask questions until you're satisfied with the answers. (JI)
- 5: Check the detail, check the detail, check the detail. (CP/JI)
- 6: Happy boss = easier to lead your way. (JI)
- 7: Make your own decisions. (CP)

8: Never let ego dictate your position. (CP)

9: When it's hitting the fan, be the one to turn off the power - and know where it is (JI).

10: Be authentic. Be open. Be humble. (JH, CP, JI)

11: Remain calm. Be kind. Have fun. (CP/JI)

### What would yours be?

Powell's autobiography *My American Journey* is a brilliant read in leadership, with Jane Halton's thoughts a leadership must-read, from which we can all learn, reflect and take and make our own.



**Jeremy Irvine**  
*Executive Director,  
Victorian TAFE Association*

Jeremy is presenting a session on leadership lessons.

<sup>1</sup> <https://managementisajourney.com/revisiting-colin-powells-13-rules-of-leadership/>

<sup>2</sup> <https://www.governanceinstitute.com.au/resources/governance-directions/volume-71-number-7/interview-jane-halton-ao-psm-the-accidental-public-servant/>

<sup>3</sup> <https://www.governanceinstitute.com.au/resources/governance-directions/volume-71-number-7/interview-jane-halton-ao-psm-the-accidental-public-servant/>



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Distributed at the Better Boards Conference.  
Online 25-26 July 2020

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