

Community Directors Intelligence

February 2019

Want to get ahead? Your time starts now



By Matthew Schulz, editor

Want to make this year the one you achieve your organisation's biggest goals? Then you've got to prepare. And we can help.

From this month, we're hosting the [Festival of Community Directors](#), "a year-long celebration of community governance", with events and training aimed at inspiring and educating community leaders.

Why? Well, Roman ancient Marcus Cicero stressed "diligent preparation" before action more than 2000 years ago. And US Speaker Nancy Pelosi last year urged more women to step into leadership, with the advice: "Organise, don't agonise."

As our Community Directors Council chair Susan Pascoe (AM) says: "The organisations meeting and exceeding their goals are, almost without fail, well-governed by competent boards with a healthy culture and a commitment to continual improvement".

That's why our Festival is a packed program covering ethics, human resources, communications, policy, strategy, finance, testing impact, whistleblowing, fundraising, AGMs and much more.

Talking of preparation, in this edition we've asked Ms Pascoe and several other not-for-profit experts to predict the biggest challenges and opportunities you'll face this year.

Completing our new national survey of the sector's big issues will help that knowledge grow too, alongside a chance to win great prizes – including tickets to the unmissable Communities in Control Conference on May 20-21.

Meantime, we welcome winners of our Future 500 Leaders scholarships to the ICDA fold, and wish them the best of luck studying our Diploma of Business (Governance).

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New festival to bring sparkle to community sector governance

By Lachlan Pollock, reporter, *Our Community*

Australia's first-ever year-long celebration of community governance, the 2019 [Festival of Community Directors](#), has just been launched, and the program is jam-packed with inspirational, informative and celebratory events.

The festival maps a year of training and events to help not-for-profit board members plan for 2019.

Organised by the Institute of Community Directors Australia (ICDA), the festival incorporates a number of themed weeks to focus the attention of not-for-profit board members.

The themes are tied to a wealth of resources from ICDA and other relevant experts, such as renowned ethicist Dr Simon Longstaff and former ACNC commissioner Susan Pascoe.

Featured topics include cultural diversity, organising a great AGM, communicating with clout, policy renewal, and ideal inductions.

A newly expanded national program of specialised training and events covers a range of subjects essential to the governance of community organisations.

Training videos, help sheets, news articles, webinars and all other resources will be hosted on the Festival of Community Directors webpage, available [here](#).

Our Community executive director Denis Moriarty said the festival was a “celebration of learning”.

“Good governance is always the foundation of a well-run organisation.



Our Community's Denis Moriarty says the Festival will be a celebration of learning.

This year, the Festival of Community Directors will help the sector get its governance in order.

“Our goal is simple: Make the community sector stronger than ever,” said Mr Moriarty.

“We know there is a great deal of passion in the community sector to do the right thing, but what's sometimes missing are the skills to get things done.

“This year we're giving directors and the staff who work alongside them the chance to upgrade those skills with a year-long program.”

Mr Moriarty said he had noticed that while many community sector organisations set big goals for 2019, some lacked the strategies and plans that would enable them to meet those goals.

It was this observation, he said, that had inspired the Festival of Community Directors. ➤

The 2019

Festival of Community Directors

A year-long celebration of community governance

Download the program now: communitydirectors.com.au/focd

"We've packaged everything together to help community directors to plan their year, and to make sure things aren't left till the last minute.

"This allows members to see the kaleidoscope of activities on offer all in one place, and they can plot their interests and see the gaps in their skills, and work towards upgrading them."

The Festival of Community Directors will benefit ICDA members country-wide, providing more training and events around Australia.

"As ICDA's membership has expanded, so too has our need to cater for the full membership across the country," said Mr Moriarty.

The festival program includes specialised courses in Victoria, New South Wales, Queensland, South Australia and Western Australia, along with Diploma of Business (Governance) training, which is available in all states and territories.

Early highlights include:

- [Celebrating Women](#) – a free International Women's Day networking event for female ICDA members, celebrating their contributions to the community sector. Melbourne CBD, 6pm, Friday 8 March.
- [Good Ethics & Good Culture](#) – a half-day training event presented by Dr Simon Longstaff of The Ethics Centre.

Dr Longstaff is fresh from heading a review of Cricket Australia's culture and is ready to pass on wisdom from this to help your board reflect on its own ethics and culture. 9am-12:30pm, Melbourne CBD, Wednesday 13 March.

We have also partnered with Commonwealth Bank to bring [new governance training for the disability support sector](#) to five cities this year.

Susan Pascoe, the inaugural commissioner of the ACNC and current chair of the Community Directors Council, has endorsed the new festival, saying it has been "designed to give board members and the senior staff who support them the best possible chance to succeed."


"There's something for everyone," she said. "I'm sure you will find plenty in ICDA's year-long calendar of events to set you on the right path."

To get involved, check out the [festival webpage](#) and the [program](#), and then register your expression of interest or purchase tickets for upcoming events.

MORE INFORMATION

Program PDF: www.communitydirectors.com.au/focd_brochure

Website: www.communitydirectors.com.au/focd

Facebook live: [Watch the festival launch](#) 

FROM

\$65/year

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JOIN NOW

Community organisations will need to consider a careful self-assessment in 2019. Picture: Ellen Smith.

Good governance in the spotlight in 2019

By Susan Pascoe, chair, Community Directors Council

Former ACNC commissioner Susan Pascoe, now chair of the Community Directors Council, is well versed in the challenges and opportunities for our sector. She looks at what lies ahead for NFPs in 2019, and predicts a renewed focus on governance.

Directors face governance, funding and talent tests

With the recent publication of the report of the [royal commission](#) into the financial services sector, there is likely to be a renewed focus on good governance, and the importance of values driving the work of enterprises – whether financial, commercial, government or not-for-profit.

Although the report will be directed to the financial services sector, we have already seen with the report commissioned by the Australian Prudential Regulation Authority (APRA) in 2018 into the Commonwealth Bank that the findings and recommendations will have impact well beyond the entity or sector under scrutiny.

Community directors would be wise to appraise themselves of the key findings by tapping into the resources of professional support organisations like Our Community, which ensure that directors are kept up-to-date. (Ed. See our links below)

Sustainable funding models could face a squeeze

Funding of community sector organisations that deliver government services may be an issue in the federal and NSW elections.

As governments move from provider funding to consumer or beneficiary funding, NFPs in the aged care and disability sectors are having to fully cost their services and ensure their business model is sustainable. ➤



Susan Pascoe, who chairs ICDA's advisory Community Directors Council sees both challenges and opportunities for the sector.

For some, this will be the case, but for others it might trigger board discussions about higher levels of collaboration, or even considerations of mergers.

Plan well to recruit well

Maintaining a steady flow of capable and committed directors is a challenge for commercial, government and NFP boards, especially those in rural and remote areas.

Ensuring access to high-quality training, such as that provided through the Institute of Community Directors Australia (ICDA), and maintaining succession planning are ongoing challenges for community directors (as well as their commercial and government peers).

Elections, royal commissions, new blood: opportunities in 2019

Triggers such as the financial services royal commission report can be an opportunity rather than a threat. It's far better for a board to be proactive, and to seek ways to improve practice, than to have changes foisted upon them. Boards can use a self-assessment instrument to gauge the health of their governance practice and identify areas for improvement.

They can also tap into educational opportunities and the resources provided by Our Community to assist them to maintain good practice. And they can create space in their meetings to reflect on their conduct and effectiveness.

Political opportunities await effective community organisations

Elections often bring funding announcements and opportunities for community organisations to pursue. Grants and expansions or modifications to government programs are often announced and provide fertile ground for community directors to consider.

Recruiting well, part II

There is always a pool of people willing and able to volunteer, including a growing number of retirees. There are opportunities for community organisations to seek greater involvement from community members prepared to commit their time, energy and expertise to the NFP enterprise.

MORE INFORMATION

[Susan Pascoe's keynote speech from the 2018 Community Directors Conference](#)

[Values boost: How to cultivate your culture](#)

[Self assessment: Visit our Tools & Resources page](#) 

SPECIAL TRAINING

Good Ethics & Good Culture

With Dr Simon Longstaff,
CEO of the Ethics Centre

9am-12:30pm, Wednesday 13 March
Melbourne CBD

Find out more





Help us survey the state of the third sector



As the nation's top trainer and advocate for community directors, ICDA continues to press for improvements in the way we help board members, but we need your help.

The Institute is conducting a fresh study of governance in the not-for-profit sector, opening the *ICDA Not-for-Profit Governance Survey* to organisations nationally.

The survey and resulting report will create a snapshot of key issues affecting the boards of not-for-profit organisations across Australia from the viewpoint of directors and senior staff.

It covers the performance, barriers and opportunities facing organisations, particularly in the areas of governance, finance, data, organisational development and fraud.

The results will guide the Institute's work in education, resourcing and advocacy, and we'll be sharing results to boost public knowledge about not-for-profit sector governance.

"There are more than 600,000 not-for-profits in Australia – it's a huge and hugely


important sector, yet there remain big gaps in our knowledge about the needs, desires, frustrations and expectations the leaders of those organisations hold," said ICDA executive director Patrick Moriarty.

"We're confident our report will yield practical results for our members and the wider sector."

The latest survey follows a 2015 study on governance, which will act as a baseline. It takes approximately 10 minutes to complete.

Those who complete the survey can go in the running for a prize package worth more than \$1000, including:

- two tickets to the [Communities in Control Conference](#) (Melbourne, May 20–21, 2019), worth \$740
- a year's membership to the [Institute of Community Directors Australia](#) (ICDA), worth \$65
- a year's subscription to the [Funding Centre](#) (including unlimited access to the grants database), worth \$125
- a [\\$150 book bundle](#) for your community group

Take the survey now. Closes Tuesday, March 26: www.communitydirectors.com.au/2019survey 

Brontosauruses and butterflies: The financial royal commission and you

By Chris Borthwick, Thinker-in-Residence, Our Community

Think of a smallish Australian not-for-profit – one of the 40% of NFPs with about \$50,000 in assets. Imagine it as a single smallish butterfly – a cabbage white, perhaps, weighing a quarter of a gram.

Think of a big Australian bank. Think of it as a 15 ton Brontosaurus (or, if you want to be picky, an Apatosaurus) wandering through the Jurassic forests feeding hungrily from the treetops. That's about the weight ratio – one to sixty million – of one to the other. One is very big: the other is very small.

That being the case, it's not immediately obvious that Commissioner Hayne's report on the misdeeds of the big banks has any application to most Australian not-for-profits.

Few Australians, though, are accustomed to counting in trillions, and when a clamour arises for more regulation and greater accountability, they're not going to split hairs.

However unfairly, both dinosaurs and butterflies are going to be expected to up their game.

And some general principles are invariant. The Commissioner was tasked with, among other things, reporting on "whether any conduct, practices, behaviour or business activities ... fell below community standards and expectations" – and given the expectations that Australians have of their community groups, even a comparative butterfly might do that.

Let's look at a few of those principles.


Incentives matter

The Commissioner's main complaint, to be sure, was that the banks' despicable conduct was motivated by the pursuit of profit, and you might think that not having profits would keep the third sector pure. As he points out, though, the mechanism that drove the horrific incidents was that the organisation's profit coincided with the gain of the individual behind the desk. A warped system of incentives produced the kind of results that might have been – should have been – expected. The small fry were rewarded for sales growth, not for promoting the interests of the client, and they followed the money.

Not-for-profits sometimes assume that because the aim of the organisation is to do good, the aim of its workers is to do good. Well, yes; but it is also necessary for not-for-profits to pay their people, and it may be time to check what they're being paid for. ➤



Financial services Royal Commissioner Kenneth Hayne took a no-nonsense approach to his investigation.



We've looked to nature to consider how the latest royal commission will affect you.

Are their performance goals or promotion prospects keyed to the budget, or to their client feedback, or to their legal compliance? Where thy treasure is, there shall thy heart be also, as a much earlier ethics code specified.

Conflicts of interest matter

As the Commissioner writes, "[The laws] ... speak of 'managing' conflicts of interest. But experience shows that conflicts between duty and interest can seldom be managed; self interest will almost always trump duty.... [An employee] who seeks to 'stand in more than one canoe' cannot."

The bar is being raised. Take note. Review your Conflicts of Interest register and ask yourself whether it's up to these fresh expectations.

Oh, and if there isn't an Australian not-for-profit devoted to promoting canoe-standing as an Olympic sport, there should be.

Regulation matters

The Commissioner says, "Misconduct will be deterred only if entities believe that misconduct will be detected, denounced and justly punished. Misconduct, especially misconduct that yields profit, is not deterred by requiring those who are found to have done wrong to do no more than pay compensation. And wrongdoing is not denounced by issuing a media release."

That's specifically addressed to ASIC and ACCC, who Haynes sees as soft.

He goes on to say of ASIC's enforcement culture, "... it is well established that 'an unconditional preference for negotiated compliance renders an agency susceptible to capture' by those whom

it is bound to regulate. As one leading American scholar has written, 'corporate behaviour moves quickly to take advantage of any perceived softening. Social norms act less upon complex organizations than upon individuals'."

The ACNC is certainly listening, however, and is noting that the community's tolerance for the gentle touch approach evaporates instantly whenever a scandal surfaces. I'd be surprised if it didn't get out the big stick more often than it has in the past. Take extra care not to do anything that might attract its attention. ➤



Chris Borthwick has considered the impact on smaller not-for-profits.

Culture matters

ICDA has written before on the importance of promoting a healthy organisational culture. It's more important now than ever, because we're going to be looking over our shoulders more.

Commissioner Haynes says, "Effective leadership, good governance and appropriate culture within the entities are fundamentally important. And culture, governance and remuneration are closely connected. But it now must be accepted that regulators have an important role to play in supervision of these matters. Supervision must extend beyond financial risk to non-financial risk, and that requires attention to culture, governance and remuneration.

The Commissioner calls upon the finance sector to "assess, as often as reasonably possible, the entity's culture and governance, identify any problems, deal with them and determine whether the changes have been effective." It's not an unreasonable goal for NFPs, either.

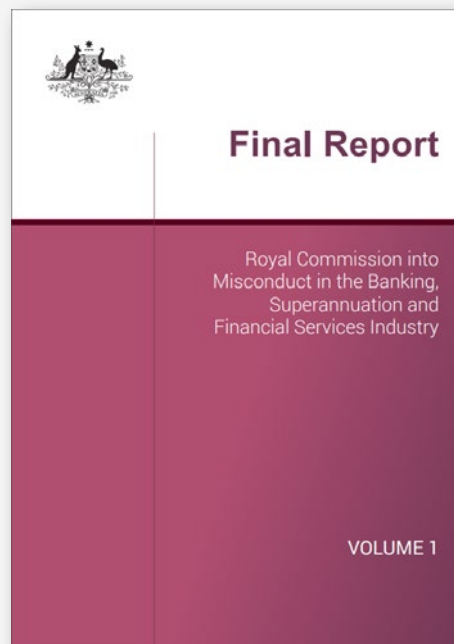
And my last message, my little butterflies, is this: try not to have a brontosaurus tread on you. They are too big to fail, evidently; you are not.

MORE INFORMATION

[Full report: Royal Commission findings](#)

[Ethics Centres' Simon Longstaff: The world of loopholes has ended](#)

[Australian Financial Complaints Authority \(AFCA\) response: Finance disputes service reacts](#)




Kenneth Haynes' report has sparked a big shakeup of the finance sector.

ICDA RESOURCES

[Special reports: ICDA's resources around organisational culture](#)

[Finance focus: Selected financial sustainability help sheets and articles](#)

[Accountability: How your organisation can be more transparent, more effective](#) 

"Push past good girl syndrome. Call out everyday sexism to break down the structural barriers."

Tracey Spicer AM

May 20, 2019, 1.30pm

communitiesincontrol.com.au





FUTURE 500 LEADERS

Future leaders scoop up scholarships

By Matthew Schulz, journalist, Our Community

A new generation of Australian not-for-profit leaders are on the cusp of gaining fresh skills, networks and credentials after winning a place in the first round of the Future 500 Leaders scholarships.

More than 150 community directors and senior staff were selected in a national campaign for the chance to study for the Diploma of Business (Governance) – targeting not-for-profit needs.

Successful applicants came from groups championing LGBTQI+, culturally and linguistically diverse (CALD), indigenous, rural and regional Australians, as well as youth and women.

Each has earned a \$1000 scholarship to study for the Institute of Community Directors Australia (ICDA) course, which is Australia's only accredited governance diploma.

Our Community's group managing director, Denis Moriarty, said the unashamed focus on diversity as part of ICDA's strategy for 2019 had been well rewarded with a strong response. ➤



Trawalla Foundation chair Carol Schwartz (AM)

Mr Moriarty said the scholarships were made possible through the support of the Trawalla Foundation, and aimed at providing an antidote to the governance troubles that had diluted the public's trust in many institutions.

"We need good leadership to shake up old-fashioned, wrong-headed ways that are putting the brakes on progress. We think the best way to encourage that is by investing in the governance capacity of not-for-profit groups."

The Trawalla Foundation's chair, Carol Schwartz (AM), said the Foundation's support represented money well spent.

"Our investment represents funds aimed at future social impact, where it is needed most, and it has been rewarding to see the response," Ms Schwartz said.

"The scholarship fits neatly with our focus on helping exceptional individuals and organisations with a vision for the future, especially those with an eye on gender equality, creativity, sustainability and social justice".

ICDA's director of leadership and diversity, Kylie Cirak, who is overseeing the scholarships program and faced the tough task of selecting the winners, said she had been mightily impressed by the entries.

"The calibre of applicants was outstanding, and reflected such a great variety of experiences, skills, and aspirations," Ms Cirak said.

"There are some incredible stories behind many of these applications. A common theme from applicants – and especially the women who applied – is that they hope the diploma will 'legitimise' their voices on boards.

"While these kinds of challenges can be frustrating, it's refreshing to know that doing this course will make the difference they are hoping for."

She said significant numbers of applicants from non-English-speaking backgrounds had demonstrated "incredible determination and commitment to their cause".

Applications also came from the young and the old, with the youngest applicant still in her teens and already wanting to represent Australia on the international stage.



ICDA's director of diversity and leadership Kylie Cirak oversaw the selection process.

Many applicants from Indigenous circles have already got runs on the board and hope the study will help them raise their own standards and those of their organisations.

There was also strong representation from rural and regional directors and sector workers across the country, from Broome to Tasmania, who aim to do better in bringing services and advocacy to areas outside the big cities.

And there was a passionate response from many in the LGBTIQ+ community, who realised greater professional development will make a big difference to the people they're aiming to help via not-for-profit organisations on the frontline of progressive thinking.

The Diploma of Business (Governance) is the premier diploma-level governance qualification in Australia, and it provides specialised training in not-for-profit governance. The course is delivered by the Institute of Community Directors Australia, in alliance with Federation Training.

MORE INFORMATION

All the winners named: www.communitydirectors.com.au/futureleaders

Scholarship opportunities: www.communitydirectors.com.au/scholarships 

Turn to the next page to meet some of the winners ➡



High hopes for scholarship winners

By Matthew Schulz, journalist, Our Community

Winners of ICDA's first round of Future 500 Leaders scholarships are confident they'll make a bigger mark in their chosen fields as a result of their studies, both in the organisations they represent, and also in careers in a sector they truly care about.

Each winner has been awarded a \$1000 scholarship to study the Diploma of Business (Governance) offered by the Institute of Community Directors Australia (ICDA).

All the applicants showed great commitment to their causes, all of them driven by a passion for a purpose beyond profit. The winners profiled here are just a few of the diverse group joining the ICDA family.

Priyanka's win to ease pain for diverse groups, women

The national policy manager for peak advisory group [Painaustralia](#), Priyanka Rai, says winning the scholarship has been "a wonderful way to start the year, and a great validation for me personally and professionally".

The Canberra-based professional has already clocked up a decade of experience understanding public and chronic health issues as an advocate and analyst, and holds a master's degree in management.

But she says the not-for-profit sector needs directors and staff with specialist executive and governance skills tailored to the sector's culture, and the diploma will deliver exactly that.

She says the NFP sector often lacks the same level of governance skills evident in the private sector, even though the third sector's work – which aims to achieve social outcomes instead of profits – is "invaluable".



Priyanka Rai says her work aims to help both CALD communities and women.

Her application focused on women and culturally and linguistically diverse (CALD) communities, Ms Rai describing herself as a "proud member of both categories".

Like most diploma students, she hopes to serve on a not-for-profit board and make strides for her target groups to help them overcome disadvantages she's seen firsthand in the health sector. The course will also help her in her professional work with Painaustralia.

"I hope through my own work, and the diploma, I will be able to progress work for both agendas, women and CALD communities," she says.

Ms Rai says the recognition the diploma gives is also a "very significant" driver for her studies, which she plans to begin in March.

Finance focus for indigenous services winner

Dennis Bothma will use his scholarship and studies to advance the indigenous cause.

While not an indigenous man, the chief financial officer with the [Kalwun Development Corporation](#), >



Scholarship winner Melissa Ferguson from Gippsland Farmer Relief at the charity's Traralgon warehouse during a visit by Federal Nationals MP Darren Chester.

based on the Gold Coast, already helps deliver services ranging from emergency aid to medical care, and support the needs of an Aboriginal Cultural Centre – Jellurgal.

Mr Bothma says winning the scholarship was a tipping point in his career.

"Winning the scholarship was the difference between me deciding to undertake the course or not. It forced my hand but will really assist me to add value to the NFP sector too.

"I am very excited to be undertaking the course. It has been many years since completing my undergraduate studies and then a CPA qualification."

While his existing experience and qualifications were significant, he said the diploma was "very highly regarded" and was a logical next step.

"I had gotten to a point in my career where I felt able to add value at a board level ... (and) this was a natural avenue for me to pursue."

Mr Bothma plans to seek both pro-bono and paid board positions with the qualification, and said the combination of the diploma and his accounting and commercial skills would increase his impact.

"With funding always becoming leaner, it is more important than ever for charities to really understand the financials of their business, as well as the governance requirements in order to survive."

He said applying for one of the places allocated to those representing or championing indigenous causes was a logical step, having learnt so much in his current role.

"I work for a local indigenous service charity, and it is very important for me to align my work with my personal beliefs. I strongly believe in challenging the status quo and giving everyone a fair go."

His work had given him great insight into the "intricacies and background that led to the differences in outcomes for Australian Indigenous people". ➤



Dennis Bothma hopes to cement a reputation as an indigenous champion with his qualification.

"This is an area where there is so much work to be done: both from a not-for-profit governance perspective, but also in the actual community outcomes."

Scholarship pumps up the care factor for nurse advocate

Clinical nursing consultant [Belynda Abbott](#) has no shortage of qualifications and experience in the health system – including a master's degree in healthcare leadership – but is "elated" to have won a Future 500 Leaders scholarship.

That's because she has no doubt the course will open new doors for her career and for the organisations she cares about.

Currently based at Brisbane's Princess Alexandra Hospital – one of only three tertiary-level hospitals in Queensland – Ms Abbott has accumulated 17 years of experience in her field. A nurse educator specialising in infectious diseases and neuroscience, she has written a textbook, and she recently joined the Australian College of Nursing (ACN) board as its youngest member.

That should keep her busy, given the ACN is both the industry body for the profession, and a key trainer across higher education, postgraduate studies and professional development.

Ms Abbott expects to put her latest qualification to good use in developing her leadership credentials and gaining a better understanding of how governance affects the healthcare business.

Even without the diploma, Ms Abbott is quickly gaining an understanding the breadth of skills and knowledge needed to be an effective director, particularly for a complex not-for-profit such as the ACN.

"Winning the scholarship was the difference between me deciding to undertake the course or not. It forced my hand but will really assist me to add value to the NFP sector too."



Belynda Abbott says directors in the not-for-profit field must boost their levels of competence.

She explains that's partly because of the ACN's goal to establish a more "skills-based board". This means non-executive directors such as herself must be better versed in governance skills, and ensure the body remains the "preeminent professional organisation for nurses in Australia".

"Adding a Diploma of Business (Governance) will equip me with the theoretical knowledge that I need to develop further competence as a director," she says.

"That's why I am excited about this opportunity to extend my professional development in being awarded this scholarship."

Like many of the applicants in the first-ever Future 500 Leaders scholarship round, Ms Abbott brings a range of experiences to the table, including working as a success coach to help others fulfil their potential.

She says the course will help her to develop the "business acumen needed to manage a growing consulting business".

Cultivating help for farmers

As a founder and CEO of a Victorian not-for-profit helping farmers, Melissa Ferguson has long wanted to undertake the Diploma of Business (Governance), but a scholarship was the missing piece of the puzzle.

Perhaps that's why she wasted no time in enrolling and is among the first of the Future 500 Leaders scholarship students to have begun the course.

"I feel humbled to have been selected for a scholarship with ICDA," she said. ➤

Ms Ferguson runs Gippsland Farmer Relief, a registered charity helping farming families in eastern Victoria. She understands the needs of farmers well, having lived on a small farm herself.

She founded [Gippsland Farmer Relief](#) in 2016 to collect food donations to distribute to farmers in need from her home. The organisation has since expanded to take in a warehouse and office in Traralgon, and volunteers now help with deliveries, donations and counselling.

Her efforts were recognised with a 2018 Victorian Premier's Volunteer Champions Award.


While Ms Ferguson is making a difference, she knows there remain many challenges for farmers: drought, global politics, low prices, the decline of small farms, and poor access to services that city folk take for granted.

This is where the governance diploma will vitally complement the work she already does, by adding to her existing qualifications in community services work and counselling. Ms Ferguson says the training will be invaluable and she has already earmarked how she'll use it.

"It will provide me with the knowledge and tools with to oversee the restructuring, improved governance and better services for Gippsland Farmer Relief."

She aims to raise her organisation to "the highest Australian standard" while making sure her own work "is of high integrity and accountability".

She believes all community leaders have a responsibility to raise their sights by studying for qualifications aimed at not-for-profits.

"This diploma could change my world, but also the lives of the families that we help every month." 



Melissa Ferguson has been waiting for her chance to do the governance diploma.



SPECIAL EVENT

Celebrating Women

Free Networking Event
Friday 8 March

[Find out more](#)

2019

COMMUNITIES IN CONTROL

Renewing and remaking communities



Get Angry. Then Get Organised

CONFERENCE: MELBOURNE, 20-21 May 2019

www.communitiesincontrol.com.au



Communities in Control
The Conference. The Movement.



ourcommunity.com.au
Where not-for-profits go for help



Join the community directors network



As our members already know, the Institute of Community Directors Australia (ICDA) is Australia's best-practice governance network for not-for-profit boards, committees, councils, schools, and their staff.

If you're not a member yet and you're reading this free edition, we'd like you to consider joining the Institute, an Our Community enterprise bringing information, tools, training, events, qualifications and credentials to not-for-profits.

We know that being a good community director is hard work – and different to being in the corporate sector – which is why ICDA is here to help with practical, good-value support and the recognition and respect you deserve.

Why we're the first choice for community directors

1. Because not-for-profit directors are different

Governing or managing a not-for-profit is different to governing or running a company. The Institute of Community Directors Australia has been created purely for the not-for-profit sector.

2. Because it's applicable to your needs

Membership gives benefits to people seeking a board position, brand new board members, experienced board members, and senior staff who work with boards.

3. Because we'll link you with peers

You will join a growing alumni of not-for-profit governance specialists, giving you access to deep connections and a vibrant network of believers and doers. There are online connections, this members' newsletter, and regular events.

4. Because this work is not a hobby

Not-for-profit board work is complex. You need to know what your legislative and compliance requirements are. We have exclusive tools and training to keep you informed.

5. Because it's good for your career

Membership can advance your career as well as your community contributions. Becoming an ICDA member for instance, gives you "responsible persons" status recognised by the ATO.

6. Because it opens new pathways

We help give you access to our networks, information and opportunities through training events, knowledge and connections with like-minded directors and professionals.

7. Because it's great value

All of this for as little as \$65 a year.

MORE INFORMATION

www.communitydirectors.com.au/subscribe/ 

Seeing the big picture could be crucial to your survival

By Patrick Moriarty, executive director, ICDA

ICDA's executive director and head of training, Patrick Moriarty, has seen the best and worst of not-for-profit governance. Here are his thoughts on the challenges facing the sector this year.

Culture the key for all organisations

In the wake of royal commissions into child abuse and banks, and even the ball-tampering scandal that enveloped Aussie cricket, organisations must keep culture front of mind to avoid trouble. Your culture should be on display in everything you do.

As I've said to students many times, "You have a values statement, but how's that actually working in practice?"

Many things are needed to make culture really work, including board members taking responsibility rather than just handballing things to management to implement.

This requires maintaining strong links with management, conducting reviews to assess how well your organisation is living its values, and putting those values "on display".

And while there are many organisations doing great things with their culture, there's no script for the right way, which is why you'll need to do your homework.

At ICDA we feel strongly that the culture of an organisation can make it or break it. You can read more about my views – and the opinions of other experts – in the special culture edition of *Community Directors Intelligence* published late last year. ([Download or read online here.](#))

Effective human resources plans doesn't have to mean more work

Greater demands on volunteer time and limited resources for not-for-profits will continue to create trouble for many organisations, amid all the other pressures they face, whether it is to do with finances, regulations or community expectations.

Dealing with this challenge comes down to striking a good balance between what's realistic to achieve and the actual strategic plan.

I'm talking about not just paid staff, but also volunteers.

Those working for not-for-profits are pressed for time and often undervalued, but just because you need to get more done doesn't mean you need to recruit extra people onto the board.

It's more effective to have subcommittees and working groups do that work, freeing your board to keep an eye on the big picture. And it's usually a lot easier to get people to help you out with specific tasks than to recruit them to your board.

Similarly, generating more work for staff to do to show you're "doing things" isn't effective; in fact, it's counterproductive.

Boards must focus on the business of governing but not be disconnected from the day to day.

And in reference to my point about putting values on display to demonstrate your culture, board members must play their part in ensuring they are visible in the organisation, with research showing that lack of connection is a growing problem for many boards. ➤



WATCH NOW: Patrick Moriarty's top five tips for kicking off the year with good governance principles.

How can you be really connected to an organisation if you're not turning up to performances if you're part of an arts body, or the netball matches if you're part of the club?

You must be clear to new directors, too, about the expectations of your board, including when you're recruiting. Don't suggest to anyone that "it's just a meeting once a month". The commitment you require is much greater than that.

Be specific about the time commitment involved: for example, two hours of preparation per monthly meeting, an annual strategic planning day, attendances at six functions a year, and so on. Once again, there's more advice about this on the ICDA website.

Having a good handle on human resources means ensuring you conduct proper performance appraisals of staff and volunteers, but before that, it means sharing understanding of how success is measured in the first place

All these factors will help you to better recruit and retain staff and volunteers. This way you'll build effective connections between the board and management, and avoid the burnout that often accompanies a lack of connection.

How demographic changes could affect your year

I've been watching what appears to be a growing disparity between metropolitan, outer urban and rural areas in terms of resources.

This disparity, along with other social and demographic changes happening across the continent, has left many questioning whether we're really still a fair country.

I think we are, but our national social fabric – what defines us as Australian – is undoubtedly fraying at the edges.

Small communities are perhaps most affected by, and most vulnerable to, changing fortunes, especially in regional and remote areas, some of them ravaged by drought.

In some cases, we've witnessed the creation of virtual towns, where there's no actual infrastructure remaining on the ground, just a shrunken dot on a map.

The populations of these towns are being sucked into the big cities and bigger regional towns.

The exodus of people might have been triggered by school closures or by lack of access to respite care for older residents. That loss of population can accelerate to a critical point.



ICDA's executive director Patrick Moriarity has practical tips for keeping your organisation healthy.

How boards and committees in these locations adapt to this change can be critical to their survival.

They can play a critical part in supporting social infrastructure by collaborating rather than competing and duplicating effort.


In some cases, having six different incorporated bodies of basically the same people defeats the purposes they've set out to achieve.

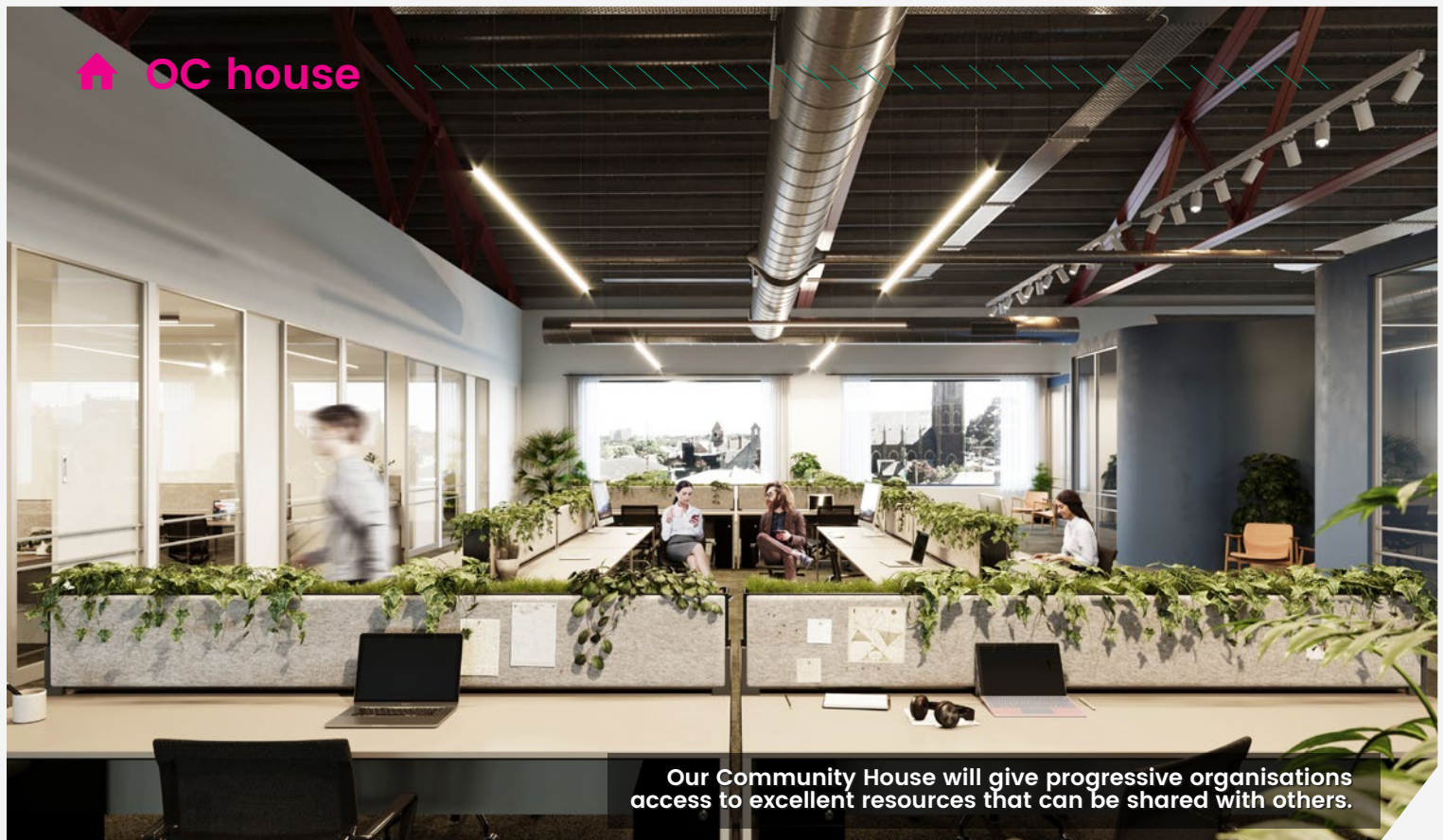
Using the skills and abilities of people from outside the town – lawyers and financial advisers, for example – to provide essential support can help these groups not only to survive, but to thrive.

I'm about to start working with a reference panel, Investing in Rural Community Futures, of the Foundation for Regional and Rural Renewal (FRRR), which is conducting a pilot program to support vital regional infrastructure.

Our Community has already been involved in a project helping dairy farming communities in South Gippsland, Victoria, to better connect with funding opportunities.

The challenges facing regional and remote areas are just one example of the enormous demographic and social changes happening in Australia now.

They're a reminder to not-for-profits to always keep an eye on the bigger picture, and consider how to respond. 



Creative, smart, social: Buzz builds for Our Community House

By Matthew Schulz, journalist, Our Community

A diverse array of for-purpose organisations are planning to join Victoria's first data-focused co-working hub for the social sector, Our Community House.

The fit-out of the new North Melbourne headquarters is on track, with Our Community – the lead tenant – set to move with 60 staff into the new premises in early March.

The innovative centre has space for 400 people, and already peak bodies, charities, data scientists, educators, social enterprises, not-for-profits, consultants and social investors have shown strong interest.

An existing tenant, the disability employment agency WISE, will remain a key part of the mix.

Our Community managing director Denis Moriarty said the level of interest in the project was no surprise.

"People are naturally curious about the first co-working space of this type in the heart of Melbourne, and we're excited about all the connections we'll be making.

"It's not just the fact we're going to be sharing a space, but we'll also be sharing our skills, knowledge and technology infrastructure.

"Melbourne's newest headquarters for the social sector also fits the Our Community manifesto, which celebrates the power of the community sector, the value of human capital, and a bit of mayhem. ➤



The property at 552 Victoria St, North Melbourne, is close to Melbourne's CBD.

"One of the things we're most proud of is our data science lab, driven by our belief that technology can help us with our reform agenda."

Our Community House has generated strong interest not only from organisations eager for an early tour of the modern, women-friendly, environmentally aware fit-out, but also from social investors wanting to boost their impact.

Among the first aboard is Equity Trustees, an Australian leader in philanthropic investment, which has awarded a significant grant to Our Community to advance its data science agenda.

Mr Moriarity has commissioned original paintings and sculptures for the project from leading artists and from the children of Our Community staff to create a bright, inviting and creative space.

Our Community invites expressions of interest in Our Community House from not-for-profits, social enterprises, government agencies and socially-minded businesses.

MORE INFORMATION

www.ourcommunity.com.au/OCHouse 



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Not-for-profit law, and the landmark book you don't need to read

By Chris Borthwick, thinker in residence, Our Community

This article could save you a week's work. Let me explain ...

I've often complained that there's too little academic study of the not-for-profit sector, considering its importance in Australian society and the Australian economy.

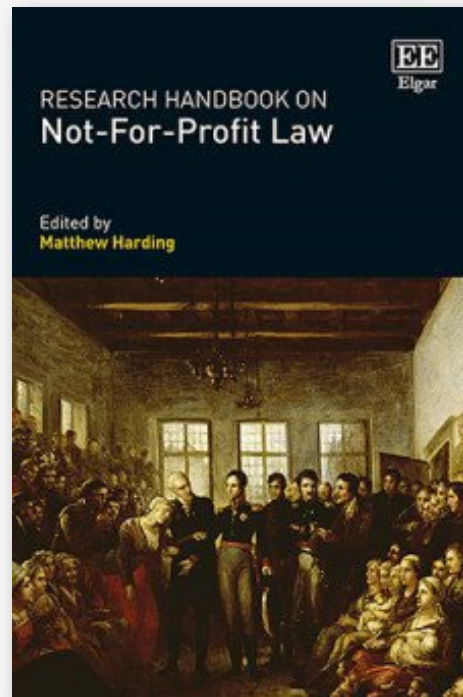
The *Research Handbook on Not-For-Profit Law*, edited by the Melbourne Law School's Matthew Harding, and consisting of nearly 600 pages of closely written analysis, helps to redress that imbalance. It includes contributions by a number of the stalwarts of the field – Australia's Myles McGregor-Lowndes and Susan Pascoe among others – and a scattering of newer scholars who are finding their places in universities here and overseas, writing on not-for-profits and tax and regulation and rights.

And the timesaving tip I'm offering is that you probably don't have to read it. It's academic in the best sense – offering deep insights into the foundations of the law of charities in many jurisdictions – but it's also academic in the sense of “that's academic”, meaning “that's not going to affect your life one way or another”.

Looking at charity law across different countries and different eras means the book has to take a fairly elevated overview, and most of the issues that actually take up your day – chasing shrinking grants funding, wrestling with different state laws and regulations, filling out forms and dealing with clients – are almost invisible.

This is a volume for the specialist and is priced as such. We purchased the e-book version for \$93, but a printed copy will set you back at least \$340. There are people who need to read it – philosophers, legal drafters, ACNC staff – but I'd be surprised if you were one of them.

That said, what's its message? If the people who make our laws read it and took heed, what improvements would we see?



The Research Handbook on Not-For-Profit Law presents a careful analysis of legal theory.

Not-for-profit scholars have to balance basic economics, which says flatly that anything that people aren't prepared to pay for has no value, with the tradition of thinkers like Socrates, Confucius and Mill, who hold that the highest human good is rational knowledge of, and moral commitment to, the public good.

“The public good” is itself not an entirely unproblematic concept, of course, and the way “the public good” relates to “charity” – let alone any particular charity – runs across a number of chapters.

I'm all in favour of this kind of speculation. The real problem, though, comes when Socrates and Confucius and Matthew Harding have to turn their attention to the mangled patchwork that is the actual law of existing charities. ➤

We've got to our present arrangements through a random accretion over 500 years of the opinions of judges who were unmistakably not Socrates or Confucius or Mill, bending principles to fit their prejudices and welding their opinions onto existing failures until the entire structure threatens to collapse under the weight of its own illogic.

Partly for that reason, "charity" as a heading is evolving and morphing. Many good-seeking organisations now don't even pretend to belong to "the sector".

The rise of the social enterprise, where entrepreneurs try to help people or save the planet without seeking tax breaks, owes quite a lot to the often-stifling restrictions that come with charitable status.

Some countries are setting up new legal forms such as Community Interest Companies (myself, I'd rather they eliminated a few of the other forms first, to make room for the change). Some capitalists, too, are mining charitable status as the most profitable substance known to humanity. Did you know, for instance, that Ikea is owned by a charity, and its founder has legally taken \$90 billion out of it?

I won't go into the finer points of these developments, if only because I don't think I could grind them nearly as finely as the authors of this compilation.



The work has been compiled by Professor Matthew Harding. Picture: Melbourne University

But it's good to know that someone's putting a little thought into understanding the not-for-profit sector. Goodness knows the government isn't.

Research Handbook on Not-For-Profit Law, edited by Matthew Harding; Edward Elgar Publishing, e-book \$93, hardback \$343.

MORE INFORMATION

[Buy: Research Handbook on Not-For-Profit Law](#) | [Free extract](#) 

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Brace for impact of elections, inquiries, board quotas

By Sonja Hood, CEO, Community Hubs Australia

Dr Sonja Hood heads an organisation helping migrants and refugees connect with the community. She has a doctorate in population health, a master's degree in policy, and over 20 years of international social policy and program experience. She's also a member of ICDA's Community Directors Council, and knows a little about how the year's shaping up.

Elections a time to take stock

Elections and likely changes in governments will mean inevitable changes in priorities for the community sector in 2019. I'm talking about the federal election, but also the NSW state one. In Victoria, there was no change of government at the last state election, but the re-elected Andrews Labor government outlined policy directions that might affect some organisations.

A change in government can be a challenge, but regardless, it's a good opportunity for your organisation to take stock and for you to ask yourself these questions:

- Does your organisation rely on government funding, and is this under threat?
- Are the government regulations you're subject to likely to change?
- Do you have the right relationships and the right communications strategy in place?

Why it's time to ensure your house is in order

Royal commissions have a way of spotlighting issues even well after they've been completed.


For example, the banking and finance royal commission has left in its wake a renewed focus on the role of boards, particularly from a governance standpoint, so while we are all busy pointing the finger at bank boards, it's not a bad time to make sure your own house is in order

And following the child abuse royal commission, the redress scheme will have implications for many organisations

In Victoria, as the mental health royal commission gets underway, focus will shift to this sector, which presents both challenges and opportunities.

Diversity is essential for balance

Ensuring your board represents the diversity of the community you serve is not just desirable, in some places it's now required. For example, all sporting organisations in Victoria that receive funding through Sport and Recreation Victoria must have women in at least 40% of their board positions by July 1 this year (vicsport.com.au/board-quotas).

Diversity is an amazing opportunity, but for organisations that haven't yet started considering the issue, it brings challenges too. 



Dr Sonja Hood explains how you can adjust your strategy this year to avoid issues and take advantage of opportunities.

Legal eagle's bird's-eye view of the sector

By Rebecca Lambert-Smith, team leader, not-for-profits, Moores

Lawyer Rebecca Lambert-Smith from Moores, Our Community's legal partner, advises charities and not-for-profits on getting established, structural issues, tax, governing documents, regulations and much more.

With a keen eye on the regulatory environment, she takes a holistic look at how this year offers difficulties and new options for the not-for-profit sector.

The increasing governance burden requires greater sophistication

Community directors, particularly in smaller organisations, are often volunteers chosen primarily for their connection to the organisation's mission rather than for their governance experience. However, good governance requires increasingly sophisticated skills and understanding. In 2019, community directors may need to consider the impact on their organisation of matters as diverse as recommendations from the banking royal commission; the new ACNC external conduct standards; changes for deductible gift recipients that are not registered charities; and a potential change in government.

Your organisation should consider whether the level of experience of your committee or board is appropriate for the complexity of the organisation and the regulatory environment in which it operates. It may be appropriate to provide professional development to current community directors or recruit additional community directors with specialist governance qualifications.

Culture is your responsibility

Recent royal commissions have caused significant reputational damage to organisations and the individuals responsible for their governance. Those investigations found that almost invariably, it was cultural failures that allowed misconduct to thrive.

The lesson for community directors is not only that culture is important, but that the public considers that setting and overseeing the culture of an organisation is a key part of good governance.

Culture is no longer a solely operational issue – if it ever was. Community directors need to ensure that their organisation's values meet changing community expectations and translate into day-to-day operations. ➤



Rebecca Lambert-Smith continues to maintain a close eye on not-for-profit issues.

Demographic changes afoot: The cresting baby boomer wave

Baby boomers make a disproportionately large contribution to the bottom line of many community organisations, via donations and other forms of support. But the boomer wave is cresting. By the end of 2019, almost half of baby boomers will have retired, and will no longer be earning a regular income.

The window of time within which community organisations can engage with their most rusted-on and generous donors is starting to close. Community directors need a strategic, segmented fundraising strategy to engage with retiring boomers, Generations X and Y and the emerging Gen Z workforce.

Tell your story to energise efforts

Many organisations are so focused on what they do that they fail to step back and consider why they are doing it. Worse, they fail to articulate the “why” to their internal and external stakeholders. Yet most people are far more energised by authentic branding than by annual reports. Great community directors will ensure not only that their organisation’s story is told well and often, but that it informs and guides the organisation’s values, mission and operations.

Collaboration: Work with others for more impact

Collaboration with other organisations can create benefits including economies of scale, increased opportunity to attract government funding, and shared know-how. Mergers continue apace in the sector but are not always necessary, or appropriate.


Strategic alignment through activities such as joint ventures, co-branding or co-location can offer many of the same benefits as mergers. They can also provide a good opportunity to investigate cultural “fit” for a potential future merger.

Strengthen yourself by protecting the vulnerable

Vulnerability can affect any stakeholder in an organisation, from the single mother receiving services, to the employee with a physical disability or the community director with depression. Both community and for-profit organisations risk a severe backlash if they fail to engage compassionately with vulnerable individuals. This may not be an opportunity in the traditional sense, but it is fast becoming an imperative.

For registered charities, the protection of vulnerable beneficiaries is an ACNC compliance focus for the period 2017–2019. It is also an express requirement of the new external conduct standards.

Community organisations that get this right have an opportunity to differentiate themselves in a crowded marketplace. But the real reason to protect vulnerable individuals is not risk management or branding: it is simply that it is the right thing to do.

Community directors do well to remember that the line that separates us from poverty, illness or disability is paper-thin and could be crossed by any of us at any time. 



New accounting rules for not-for-profits

By Matthew Schulz, journalist, Our Community

Not-for-profits will need to revise their approach to income with the introduction of new accounting standards.

The changes affect assets and volunteer services received by organisations for less than “fair value”. The Australian Accounting Standards Board (AASB) – the Federal Government’s independent accounting standard-setter – flagged the changes several years ago, and they came into force on January 1.

The new standard is known as *AASB 1058 Income of Not-for-Profit Entities* and is meant to be read alongside related accounting rules, particularly *AASB 15 Revenue from Contracts with Customers*.

The standards replaces and simplifies a string of previous standards to “more closely reflect the economic reality” for not-for-profits.

National head of technical accounting at Moore Stephens, David Holland, said charities with revenue of more than \$250,000 and not-for-profits reporting to ASIC will need to comply with the new measures. Organisations can check requirements with the Australian Charities and Not-for-profits Commission (ACNC).

Mr Holland said the new standard required a “higher level of professional judgment, which may test the resources and capabilities of some not-for-profits or force them to seek external help”.

He predicted enforcement actions against those who did not comply with the new standards.

A fact sheet produced by Moore Stephens suggests NFPs should be aware that the following could affect their income assessments:

- Assets received below fair value
- Transfers received to acquire or construct non-financial assets
- Grants received
- Leases entered into at below market rates
- Volunteer services



Moore Stephens head of technical accounting David Holland.

Assets must be given a fair value

Until now, accounting standards have seen assets received for either zero or nominal values.

The AASB 1058 standard will mean that those assets – whether vehicles, plant, equipment or buildings (and in some cases, leases) – will need to be recorded at “fair value”.

Transfers for non-financial assets must be noted

Under the new regime, any not-for-profit that is granted funds to buy or build a non-financial asset, such as a building, for its own use may need to mark unspent funds as a liability. Usually that would be in the case where funders expected a refund for any unspent monies.

What are your grants obligations?

If your organisation has struck a deal for funds under certain conditions – such as a requirement to be open for certain hours – the amount must be dealt with under the AASB 15 (contract revenue provisions). ➤

Cheap leases are now “income”

Not-for-profits that hold peppercorn leases – that is, rent premises for less than market rates – may now choose to measure those rents at fair value, with the extra value recorded as income. An earlier version of the new AASB standard would have seen this measure made obligatory, but amendments late last year mean the standard will continue to allow the old measure as a “temporary option”.

Volunteer value recognised

Not-for-profits can now choose to measure the value of volunteers, setting a fair value for volunteer work.

But governments of all types affected by the same accounting standard will be required to measure the value of volunteer work in their own books, in a move aimed at helping to establish the value of volunteers’ efforts.

In both cases, the entries will be required/chosen only if the value of the services provided can be reliably measured, such as against market prices.

Why new reporting could get tricky

Mr Holland said the reporting period began on January 2019, in line with the start of the new financial year used in most countries overseas, unlike the July-to-June period used in Australia.

He said although the first reports under the standard would be required after June 30, 2020, organisations may also need to use the method in financial statements for the “comparative year” to June 30, 2019.

He said many NFPs already had the new standard on their agendas, but others were simply “looking around at each other and wondering what they should do about it”.

He said organisations should ideally have planned how they were going to identify and quantify the impact of the changes by the end of June last year.

He urged all not-for-profits to ensure they were ready for the new standard, particularly to avoid complications with grant funding and to better measure the value of their efforts.

“If you’re applying for a grant, you don’t want to be caught out with the changing standards.”

ACNC says expertise, technology will help in meeting standards

The ACNC’s director of reporting and red



Mel Yates says directors can seek additional information from the ACNC and AASB to ensure they are meeting their obligations.

tape reduction, Mel Yates, said the AASB standards formed the basis of the ACNC’s own reporting framework, setting requirements that charities must meet when preparing their financial statements. He said the standards gave guidance on the treatment of financial transactions for all types of entities to enable a true and fair view of the financial performance and position of a charity to be produced – where financial reports are required.

Mr Yates stressed that “good record keeping is an essential foundation in producing financial reports that meet AASB standards. It is also a legislative requirement under the ACNC Act.”

He said not-for-profits can leverage expertise and technology solutions to properly comply with the accounting standards and meet any reporting obligations that charities have to the ACNC or other regulators.

He pointed readers to the ACNC fact sheet dealing specifically with the new accounting standards as well as to the AASB itself for resources to gain a greater understanding of the standards.

How the standards are affecting ICDA members

Those already working to implement the changes include Gold Coast-based Dennis Bothma, who recently won one of ICDA’s Future 500 Leaders scholarships to study the Diploma of Business (Governance).

The chief financial officer with the [Kalwun Development Corporation](#) is very aware of the financial knowledge gap in some not-for-profits, ➤

which he fears may grow with the new AASB standards coming in to play.

“We haven’t seen a change this big since the introduction of the GST.”

That knowledge gap is the reason he formed the CPA Gold Coast Not for Profit Group, where he remains on the committee, and continues to coordinate professional development.

Mr Bothma said the fact that the standards require big changes in the way organisations report grants and other income will challenge many treasurers.

He suggests not-for-profits first look at AASB 15 to assess whether their revenue is “caught” by the new standard, before using AASB 1058.

He said AASB 15 could affect many funded organisations that receive quarterly payments in advance, such as aged care providers and child protection agencies.

The new standard may require entities to account for monthly outputs, complicating their calculations.

“We haven’t seen a change this big since the introduction of the GST.”

Mr Bothma said that overall, the new standard would benefit the sector by providing greater transparency, stronger financial governance, and a management accounting style that would boost the longevity of community service organisations.

“Those that can move to a more commercial mindset and balance the ‘human side’ of the equation with the financial side will have a much better chance of long-term success.”

He said one common concern from the sector, though, was that the new financial statements were “almost meaningless to the average person”, leaving finance managers and treasurers to “decode” financial statements.

He said his organisation and others were eagerly waiting the results of the joint [AASB/ACNC financial reporting reforms](#) for charities, and information on how it could affect not-for-profits.

ICDA acknowledges the experts at Moore Stephens for allowing us to summarise parts of their help sheet on the new standard.

MORE INFORMATION

[ACNC fact sheet: Changes to accounting standards](#)

[Moore Stephens fact sheet: Simplifying income recognition for not-for-profit entities](#)

[The standard: Income of Not-for-Profit Entities \(AASB 1058\)](#) PDF | [Latest amendments](#) 

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How NFPs can keep calm under pressure

By Wendy Brooks, NFP fundraising and strategy advisor

With more than 30 years' experience on NFP boards and as managing director of her own company giving strategy and fundraising advice, Wendy Brooks says raising funds and good leadership will be keys factors for groups this year.

Why a net return at the end of the financial year will pay dividends

Things are getting more challenging for NFPs – particularly those in the services sector. Governments are expecting them to do more, and to take on more complex clients, with less funding. At the same time, private sector providers are picking the easier and more profitable work. This often leaves the NFPs with the more complex and less profitable clients, particularly in the disability service sector.

It is always tough to run an organisation in a financially sustainable way, while being ambitious for impact and outcomes. Staying true to the mission is vital. But there is no mission without a margin.

The old approach of staring government in the face and delivering the same services with the same expenditure, and smaller government grants, is no longer a smart fundraising strategy (if it ever was).

This approach of doing more with less is likely to erode any budget surplus, tip organisations into deficit, and force them into a desperate search for additional funding streams. Beware, because governments are no longer rewarding budget deficits with bigger or “top up” grants.

What's more, budget deficits are like a red rag to a bull for philanthropic and corporate funders reviewing financial reports. They are much more likely to fund organisations in good financial shape than those posting deficits. Governments are also increasingly rewarding organisations that make the effort to secure philanthropic and corporate funds and generate some “fee for service” income.


Refine your pitch to dip into diverse revenue streams

On a related topic, board directors must take a far more proactive part in generating revenue. I recommend that directors take as much interest in revenue raising as they would if they were on the board of a commercial company seeking to raise venture capital. Directors need to take a keen, active interest in the “pitch” to investors.

Understanding the key elements of the “pitch” and being “on message” when speaking about impact, ambition for growth, and the need for more income is essential. Directors should be “talking-up” the organisation and advocating for investment whenever possible. ➤



Fine-tuning your revenue streams is critical in the current environment, Wendy Brooks says.



Wendy Brooks says what your funders really want to know is: How are you going to make the world a better place?

Directors should keep on top of the names of major supporters and be sure they pass on their personal thanks when the chance arises. Funders and investors expect that directors are aware of major investment pitches and successes. When funders investigate an organisation, usually the first thing they do is go to the website and have a look at who is on the board.

Make your meetings count for good leadership and strategic guidance

Too many NFP board directors think their role is purely a formality. The board papers are often too scant or lacking in analysis to provide any insight into the true situation of the business. Board meetings are often conducted in a perfunctory manner with a “tick and flick” approach to the agenda.

I urge board directors to use meetings as the main forum for checking the “pulse” and other “vital signs” of the organisation.

The directors can truly engage with the CEO during the meetings and should provide strategic guidance and support. When the CEO presents the CEO report, the board directors should use this time as an opportunity to ask probing questions. What does the CEO see as the key challenges? Can the board directors assist in addressing some of the challenges? Do the directors have ideas for dealing with the issues? What does the CEO see as the key opportunities? How can the directors assist?

The chair plays a key role in regularly checking in with the CEO. The chair should be good at listening and analysing complex business situations and supporting the CEO to find solutions.

The chair and other directors must focus on supporting the CEO to be an exemplary, strategic leader. If the CEO is not meeting these expectations, then it is up to the board to review if the CEO has the appropriate supports or is the right person for the job.

Take your chance to be a solution, not just a problem response

You don’t have to be the biggest in the sector, but you can be known for excellence in achieving impact. Organisations that are confident of their impact can take a leadership position within their sector. This gets them noticed by government and other funders. Be sure that all directors are “on message”, amplifying the organisation’s position as part of the solution through its impact.

Make sure your organisation appropriately measures and evaluates impact and then communicates this impact to supporters, including governments, along the way.

Build a dynamic leadership team, starting with an engaged and committed board, and back the CEO to deliver the strategy and run the business. Build a culture of ambition and aspiration that focuses on increasing impact. ➤

Show how your organisation helps make the world a better place

Government and major funders are increasingly looking for organisations that are clear about how they are contributing to wider systemic change. There is significant funding available for organisations that understand systems change and can demonstrate how they contribute to the change.

It is no longer good enough to beaver away in your own corner. Regular consultation, communication and engagement with others in the sector, both nationally and internationally, is a great way to better understand how to best contribute to systemic change.

We recommend being clear about the “theory of change” for the organisation and then mapping this to a systemic “theory of change”. Going through this process for the board and management is a great way to ensure everyone understands where the organisation fits into the sector and where it makes the most effective and efficient contribution.

Adapt your ability to react: Prepare for the opportunities

The only certainty about the future is change. And change is coming faster than ever before.

Organisations that can understand and analyse their key strengths and then position themselves to seize new opportunities in the market are going to survive.

Smaller organisations have the ability to be agile, but often lack the depth of experience and resourcing needed to take the risks required to change.

“Organisations that can understand and analyse their key strengths and then position themselves to seize new opportunities in the market are going to survive.”

Larger organisations are often stuck doing the same thing and find change slow and difficult. Sometimes it is best for larger organisations to break up into new units or departments to start new business ventures.

The organisations that are the best at adapting to change tend to have directors and CEOs who have strong business acumen and experience at an appropriate level and can make smart business decisions.

Smaller organisations should make sure they have a number of directors who are experienced in running small businesses, while larger organisations, with bigger administration and budgets, need directors with matching business skills.

Wendy Brooks (BMus, LLB Hons) is managing director of Wendy Brooks & Partners, which provides strategic and fundraising advice to NFP organisations.

MORE INFORMATION

www.wendybrooks.com.au 

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The ACNC is looking for new ways to measure success in the sector, but not everyone is happy.

ACNC seeks new measures for not-for-profit health

By Matthew Schulz, journalist, *Our Community*

A study commissioned by the Australian Charities and Not-for-profits Commission (ACNC) says a spike in not-for-profit mergers could show greater “vibrancy” in the sector.

The same study suggests a vibrant sector would be characterised by revenue growth and by a wide spread of organisation sizes and types, which would demonstrate the sector was able to adapt to changing needs.

The study was conducted by Tulipwood Economics, which was asked by ACNC Commissioner Gary Johns to come up with metrics to accompany one of the Commission’s trickier-to-define objects: “To support and sustain a robust, vibrant, independent and innovative not-for-profit sector”. The result is a somewhat bureaucratically titled study: *Measures in Support of the Not-for-profit Sector: Indicators of Object 1(b) ACNC Act*.

Tulipwood surveyed the literature about NFP sector performance in Australia and overseas before producing the 24-page report.

The investigation is expected to be the subject of formal consultations. The report proposes measures relating to the characteristics “robust”, “vibrant”, “independent” and “innovative”.

Tulipwood says a robust industry should be responsive to environmental, social and economic “shocks” and be able to adapt accordingly. Measures of robustness would include registrations, revocations and the longevity of organisations.

Measures of vibrancy could include the number of mergers in the sector, because “mergers may indicate that NFPs are joining forces to make the most of their respective ‘competitive advantage’.”

An independent sector was painted as one that was not heavily reliant on funding from government or another single source, and had a level of “regulatory independence”.

An innovative sector would be capable of developing new products and services and using technologies that improved services to clients and the community. Four to six measures are proposed for each of the four characteristics. Some are already available to the ACNC, and some would require new questions in the annual activity statement submitted to the regulator by charities. ➤

“Mergers may indicate that NFPs are joining forces to make the most of their respective ‘competitive advantage’.”

For instance, Tulipwood recommended the ACNC seek new data on innovation measures by setting metrics on collaboration, new technology use and staff training.

The ACNC says it will consult on the proposed new measures before adopting any of them.

While the measures might mean increased scrutiny, Mr Johns said in a recent column that “the focus is on measuring these concepts as they relate to the sector, not individual charities”.

It is understood the ACNC has now engaged PwC to examine how it might implement the recommendations.

Responding to the report, the Community Council of Australia’s David Crosbie criticised the ACNC’s use of outside economists, saying the consultants had applied a “narrow economic lens” instead of using not-for-profit specialists to do the assessment.

“Even the best economic proxy measures can only ever partly explain what is at the heart of our work,” Mr Crosbie wrote.

“And if we are going for proxy measures, surely we can do better than assumption-ridden superficial measures developed by unknown economists from outside of the sector?”

MORE INFORMATION

[Download the full report](#) | [CCA critique](#)

[Thinking Big: To Merge or Not to Merge \(an ICDA information guide\)](#) 



Johns reveals ACNC priorities

By Gary Johns, commissioner, Australian Charities and Not-for-profits Commission

With the new year comes renewed optimism for the charity sector. New and exciting opportunities await, and of course we will all face challenges.

One of the biggest challenges facing charity directors (or “responsible persons” as the ACNC legislation refers to them) is governance. Charity governance accounts for nearly 20% of all concerns raised with the ACNC, second only to private benefit, which is generally the result of governance failures.

Our most recent [Compliance Report](#) highlighted governance standard 5 – duties of responsible persons (or directors) – as a major area of concern.

When we assessed the compliance investigations we had undertaken in the previous 12 months, we found that this standard was the primary issue in more than half of those investigations.

I am pleased to announce that there will be an opportunity for charities, particularly smaller charities, to strengthen their governance in 2019.

In March we will launch the new charity governance toolkit.

The toolkit will package up all of the existing governance information we have available to charities and add new guides, factsheets, templates and webinars on four key subjects:

- Financial abuse
- Working with partners
- Safeguarding children and vulnerable adults
- Cyber security

We know the vast majority of charity directors want to do the right thing; hopefully these new resources can help more charities stay on the right track.

This year charity directors will also benefit from the ACNC's new IT infrastructure, specifically the Charity Portal – the online system charities use to



ACNC Commissioner Gary Johns

submit their Annual Information Statement. The new portal is a vast improvement on the original version, which was built over six years ago.

Charities using the new portal for the first time will need to log in using their email address (not their ABN, as was the case with the old portal) and then create a new password.

We have information on our website to help and we have begun to email detailed instructions to charities that we know have not logged in yet.

As with charity governance, a challenge can lead to an opportunity. Now that the new Charity Portal and Charity Register are online, we can maximise their potential.

One opportunity I want to focus on in 2019 is using the data we capture in the Charity Portal (particularly from the Annual Information Statement) to connect donors with charities via the Charity Register.

The Charity Register is searched nearly 1 million times per year. It is indeed a powerful tool for donors.

I encourage charities to take the opportunity to describe their work to potential donors by providing more insightful responses to question ➤



Australian
Charities and
Not-for-profits
Commission

The ACNC plans to use the data it captures in information statements to link donors through its charity register.

“Our most recent Compliance Report highlighted governance standard 5 – duties of responsible persons (or directors) – as a major area of concern.”

12 of the Annual Information Statement. The responses charities provide will be published verbatim on the charity’s ‘Overview’ page. This can tell a donor, at a glance, exactly what your charity does and who or what it helps.

I also encourage charities to provide a website address to the ACNC, so we can give donors a direct link if they wish to support you. At present, only a quarter of registered charities have provided us with a website.

Some small charities, particularly the one-third with annual revenue of less than \$50,000, may not have the resources to create and maintain a website. If that is you, I recommend you consider a social media account, which is usually free of charge. At the ACNC we have our own social media accounts and find them a cost-effective and impactful way to engage with the sector and the community. If you provide us with the link to the Facebook page for your charity, we will publish it on the Charity Register, just as we would if it was a standard website URL. This will help donors find and engage with you quickly and easily.

This is a significant opportunity for smaller charities to connect with new volunteers and donors. Once you log into the new Charity Portal, you will find instructions on how to provide a URL. It’s simple to do.

Many more challenges and opportunities await us in 2019. If you would like to stay up to date with all of the work we are doing at the ACNC, subscribe to my fortnightly Commissioner’s Column or connect with us on social media by visiting acnc.gov.au. 



Andrew Brooks and Catherine Brooks say the right approach this year will make all the difference to how well your organisation functions.

How not-for-profit employers can get ahead

By Catherine Brooks and Andrew Brooks

Siblings Catherine and Andrew Brooks are a formidable pair of legal experts at Law Squared who've forged a reputation for having a compassionate understanding of not-for-profits and their challenges. Last year they co-wrote the *Child Safety Toolkit*, published by Our Community and legal firm Moores. Catherine is a member of the Community Directors Council.

2019 is set to be a big year for NFP directors, with a number of changes either on the way or already being implemented.

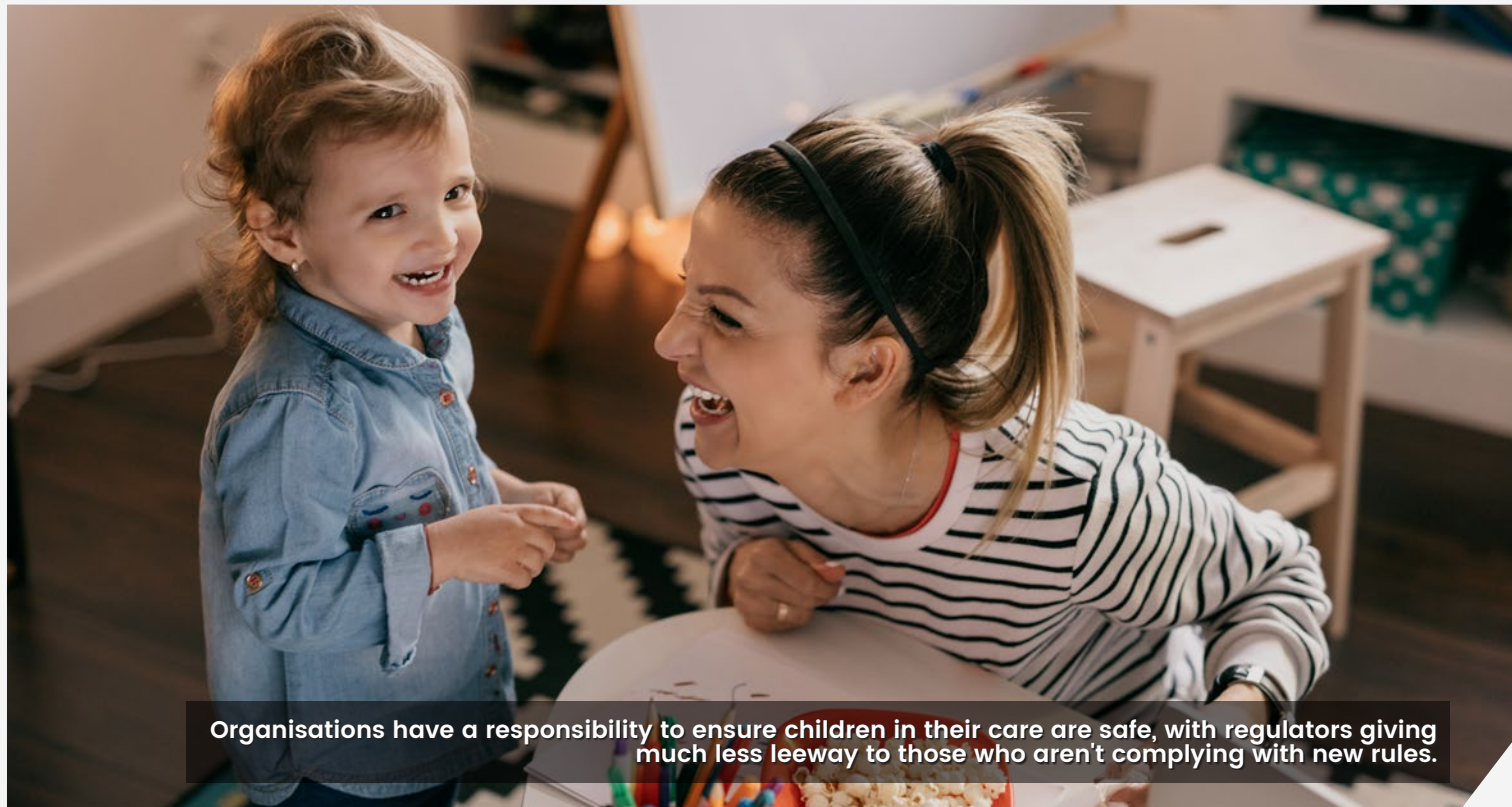
Some of these changes, like those we are witnessing because of the #Metoo movement, are fantastic and long overdue, while others, such as an increase in general protections claims, will be less welcomed.

We've set out the top challenges and opportunities for directors this year from an employment law perspective.

Legal claims could get personal

Every year the Fair Work Commission releases figures on the types of claims that employees lodge, and over the past decade, general protections claims – also known as adverse action claims – have continued to rise. A general protections claim is similar to a discrimination claim, but can be made when an employee believes they have been adversely affected.

For example, they may believe their employer took disciplinary action against them after they disclosed having a mental illness. ➤



Organisations have a responsibility to ensure children in their care are safe, with regulators giving much less leeway to those who aren't complying with new rules.

The challenge for not-for-profit directors is the increasing trend for employees to “join” directors (in their personal capacity) to the claim.

This means the claim is made against both the not-for-profit and the director, and that a director may be held personally liable.

Get ahead of this trend by ensuring your organisation has appropriate directors and officer liability insurance (also known as D&O insurance) or employment practices liability insurance, or both and speak to a lawyer early if you think an employee situation may be becoming litigious.

Don't lose sight of compliance

NFP directors need to ensure important compliance issues and dates are not overlooked.

Get your year off to the right start by creating an employment compliance calendar with your HR staff. Ensure all directors are across it.

Child and youth safety changes are just ramping up

The Royal Commission into Institutional Responses to Child Sexual Abuse concluded in 2018, but 2019 will see the greatest number of changes stemming from it. Regulators will have had more time to identify compliance breaches, and less leeway will be given to organisations that should already be compliant.

Of course, while child safety will be a challenge, it is also an opportunity to ensure you provide a safe environment for all children in your community.

#Metoo a chance to protect employees, community

The #Metoo movement has prompted widespread awareness of and censure against inappropriate behaviour, including in the workplace. However, it would be foolish to think that the problem is “solved”.

Consider the #metoo movement as an opportunity to use its momentum to stamp out inappropriate and unlawful behaviour in your organisation. Carry out sexual harassment, bullying and discrimination training for all employees, volunteers, contractors and directors. This will go a long way towards protecting the members of your community while also limiting liability for the organisation.

Become an employer of choice to benefit staff, retain the best

Many organisations are struggling to shore up funding opportunities or deal with a changing landscape. Don't let your staff suffer in this turbulent time, or risk them jumping ship to a competing organisation. As a board, it's important that you consider staff attraction and retention. ➤

“Consider the #metoo movement as an opportunity to use its momentum to stamp out inappropriate and unlawful behaviour in your organisation.”

There are many non-financial benefits you can provide to staff to help boost morale. Co-working locations such as [WeWork](#) [and [Our Community House](#) – ed.] are leading the way in providing daily treats such as food and massages, while organised games help create a real community vibe in the workplace.

Financial benefits such as additional leave entitlements may have an impact on your bottom line. But there are other benefits you can provide – such as domestic violence leave – that are likely to have minimal financial impact, yet make an important statement about your organisation’s ethics and culture, and can make a real difference for your team.

Look out for recruitment opportunities

Your board should always be recruiting and looking for people with expertise in the areas where you need it. When you carry out your board strategic planning, put recruitment on the agenda, discussing the areas of expertise you have already covered, as well as any gaps.

We recommend identifying the gaps using a board skills matrix. This will form the basis of an action plan you can follow to recruit the best people for your board. Consider advertising the role on the popular [Board Matching Service](#) on the ICDA website. Include the terms and conditions of engagement for your board members to ensure you’re getting the best out of your people and protecting your organisation while you’re at it.

The quick takeaways?

It’s going to be a big year for community organisations with competition for funding, greater regulatory scrutiny and movements at board and staff level. But we remain optimistic about good work to be done by organisations led by passionate CEOs and committed board members. Get your strategic planning done, start recruiting for future board members, tick off your compliance list, and you’ll be well on your way to a successful year.

MORE INFORMATION

[Download: Free Child Safety Toolkit](#)

[Workplace help: ICDA’s HR templates](#) 



Need Board Members?

Visit the "Tinder" of community governance.

Board Matching Service:

communitydirectors.com.au/board/

Be bold, seek opportunities: A recipe for a productive 2019

By Sheena Boughen

Culture strategist, community activist and arts leader Sheena Boughen is best known for her work cultivating the Four Winds Festival. This celebration of fine music in a natural bush setting on the New South Wales south coast grew from modest beginnings to become a world-class event with a reputation for exceptional talent. Ms Boughen, who sits on the Community Directors Council, knows how to bring an idea to fruition.

Directors give a great deal of their time and commitment to the organisations they represent. It can be challenging to deal with the pressing issues of the present and simultaneously keep an eye on the future.

A trap for many directors is focusing too narrowly on short term goals, on administration requirements and on immediate management needs, at the expense of keeping an eye on long-term opportunities.

Yet being prepared and being able to forecast what's needed to fulfil the purpose of your organisation is essential.

Assuming your organisation's basic governance requirements are taken care of, directors should take the chance – seize the freedom – to explore the environment and identify the issues that your organisation should be working on.

This requires strategic thinking: it requires directors to consider the future, to ask what's possible, and to consider what success looks like.

It also requires bold, effective communication and open conversations. Directors can cultivate open conversations by encouraging active listening throughout the organisation, while maintaining their focus on making decisions.

These are prerequisites for the creation of the powerful ideas, energy and courage that lead to big opportunities and transformation.

In an era when accountability and trust are widely discussed, it's important for the community sector to show off its strengths.

Therefore, those responsible for governance in the sector need to be well-resourced, well-supported and challenged to look to the future.

Understanding your organisation's limits is important too. Whether it's an arts or a sports organisation, powerful ideas must be matched with the organisation's capacity. ➤



Culture strategist and arts leader Sheena Boughen advocates "open conversations".


“Directors can cultivate open conversations by encouraging active listening throughout the organisation, while maintaining their focus on making decisions.”

That's what's needed to make those ideas a reality.

Boards must balance ambition and experience to enable them to judge what can be achieved.

Finally, it's worth reminding yourself that as a community director, you have an incredible opportunity to bring about change and transformation.

Of course directors have responsibilities, but they are also the custodians of the future.

It's a privilege to be able to shape the world, and to work with people who contribute and give so much. Seize the opportunity! 

Trailblazing:
Navigating
without a map

Lee Lin Chin

May 21, 2019, 2.30pm

communitiesincontrol.com.au



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Focus on directors' duties puts the onus on you

By Marla Cowen, team leader, Moores

The Royal Commission into Institutional Responses to Child Sexual Abuse shone a light on the failure of a number of not-for-profits to properly protect children in their care.

Late last year, Commissioner Robert Fitzgerald observed that three elements were vital to the proper functioning of an organisation: governance, leadership and culture.

Based on his comments, it seems clear that directors should be very aware of these three areas. For that reason, directors bear ultimate responsibility for the governance of an organisation. They support the organisation by providing leadership, strategic vision and oversight. Well-functioning boards set the tone and culture of the organisation. All of this has a significant impact on how effective the organisation is in achieving its mission.

Because directors have such control over the proper functioning of an organisation, the law imposes a range of duties upon them. The duties are not intended to be burdensome, but require people in positions of authority to act reasonably and responsibly, in relation to both their own obligations and the organisation's.

Many of these duties are aimed at ensuring that the organisation is properly governed, with effective leadership, and with a culture of transparency and accountability.

Following the Royal Commission, it is likely that there will be increased scrutiny of whether NFP directors understand and comply with those duties, alongside existing obligations under the Australian Charities and Not-for-Profits Commission (ACNC) and its governance standards.

Here's a brief summary of key directors' duties based on standards in Victoria.



Moores team leader Marla Cowen examines the legal duties of not-for-profit directors.

Directors should ensure they are familiar with the rules in their own state, which may vary.

If a director breaches these duties, there can be consequences for the organisation, for the director personally, and – as the royal commission has shown – for others associated with the organisation.

Duties and liabilities of directors

The term "directors' duties" generally refers to a number of overlapping principles that apply to directors by virtue of the position of trust and power they hold. These principles arise from a number of sources – including ACNC standards, common law and legislation – and are summarised below.

Use of position and information

Directors must not use their position, or information that they gain as a director, to obtain an advantage for themselves or another, or to cause detriment to the organisation.

Reasonable care, skill and diligence

Directors must exercise their powers and discharge their duties with a reasonable degree of care, skill and diligence. ➤

An important part of this duty involves making sure that the director has all the information required for making a decision. This includes reading board papers and any reports provided by management, engaging in board discussions, and being proactive in the role.

This duty also includes taking steps to make sure the organisation is complying with its obligations and having appropriate financial controls in place to ensure that the assets of the organisation are being used appropriately.

Good faith, best interests of the organisation and proper purpose

Directors should act honestly, fairly and with loyalty to the organisation. When making decisions, the interests of the organisation must always be the principal consideration for the board. Additionally, directors must exercise their powers only for a proper purpose.

In the context of a charity, for example, this requires a clear understanding of the charitable purpose of the organisation. The board should make decisions to further that purpose.

Disclose (and manage) conflicts of interest

Conflicts of interest often arise for directors. The mere existence of the conflict is not generally a problem. Rather, it is how the conflict is dealt with that is important.

If a director identifies a conflict or a perceived conflict, they should disclose it to the board – and in some cases, the members – as soon as possible. The conflict should also be recorded; for example, in a conflicts of interest register.

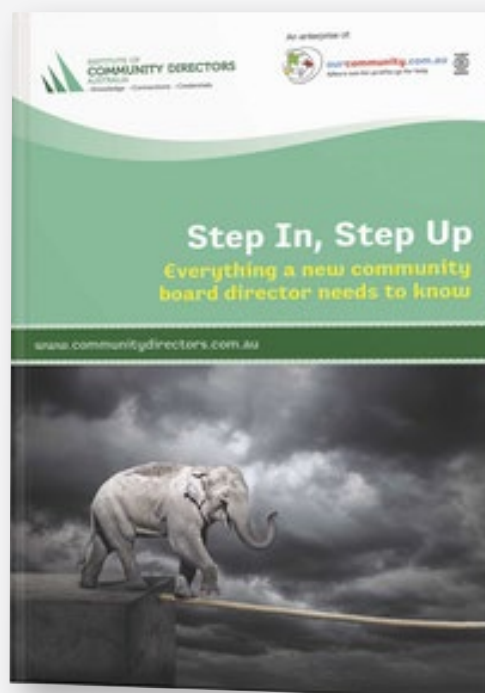
Generally, directors with a conflict in a matter should not be present while the matter is being considered by a board, and should not vote on the matter. The board minutes should also record that the director left the room and did not vote.

Insolvency

Directors have a duty to prevent an organisation from trading while insolvent. This requires directors to take steps to be satisfied that the organisation will be able to pay its debts when they become due.

Some steps that directors can take to comply with this duty (based on [ASIC guidelines](#)) are:

- Staying informed about the financial affairs of the organisation and regularly assessing solvency.
- Immediately taking steps, if any concerns



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about financial viability are identified, to confirm the financial position of the organisation and assess the options available to deal with any financial difficulties.

- Obtaining appropriate advice.
- Considering and acting appropriately on advice received in a timely manner.

Where directors breach this duty, they may be personally liable for some of the organisation's debts.

Tax and superannuation

Directors should always take reasonable care to ensure that the tax affairs of the organisation are in order. While NFPs do not generally pay income tax, other tax obligations may apply.

In particular, directors should ensure that the organisation is meeting its obligation to pay superannuation and pay as you go withholding tax (PAYGW). In certain circumstances, the ATO can require a director to pay for outstanding superannuation and PAYGW liabilities.

Directors may also be liable where the organisation is found to have committed a tax offence, such as making false or misleading statements to the ATO.

This will generally only occur where the director ➤

was involved in the offence, including by aiding, abetting, counselling or procuring the act or omission that led to the offence.

Occupational health and safety

The organisation as an employer has obligations to eliminate or minimise the risk of harm to the health and safety of workers.

Directors should make sure the organisation is complying with its OH&S obligations – for example, by understanding the risks and hazards associated with the organisation's operations and making sure it is properly resourced to eliminate or minimise those risks. If the organisation breaches that duty because a director failed to take reasonable care, the director may be guilty of an offence.

Breaches of OH&S laws can lead to civil or criminal penalties as well as personal liability for any loss suffered, and imprisonment in very serious cases.

Employment laws

Directors should be aware of laws regarding the responsibilities of employers and the rights of employees. The Fair Work Act 2009 covers a range of employment issues, including unfair dismissal, the National Employment Standards, adverse action and redundancy.

Generally, a board is not directly involved in the daily considerations of work conditions and pay. However, personal liability may arise where a director is involved in a contravention. This might include by aiding, abetting, inducing or being knowingly concerned with the contravention.

Child safety laws

In Victoria, organisations that exercise care, supervision or authority over children have a responsibility to reduce the risk of child abuse. Broadly, if a person knew of a substantial risk of child abuse by someone associated with the organisation, and had the power or responsibility to reduce or remove the risk, but negligently failed to do so, that person may be charged with a criminal "failure to protect" offence.

Competition and consumer laws

There are various protections for consumers under Australian consumer laws including prohibitions on price fixing, cartel conduct, and engaging in false or misleading conduct. A director may be liable where they were in some way involved in the contravention.

How can directors protect themselves?

Indemnity

Many organisations indemnify their directors against any liability incurred in good faith in the course of performing their duties.

Of course, an indemnity is effective only to the extent that the organisation has sufficient assets to cover the loss. This is where director and officer insurance is important.

Director and officer insurance

This type of insurance is designed to protect directors and officers against personal liabilities in relation to claims that arise from decisions they make while carrying out their roles, within their authority.

Coverage will vary depending upon policies, but will generally contain limits and exclude losses resulting from certain types of conduct, such as dishonest breaches of duties.

Other protections


Of course, avoiding breaches in the first place is the best protection against personal liability. Here are some ways you can do that:

- Take the time to understand what laws apply to the organisation.
- Encourage a culture of compliance.
- Encourage a culture where breaches can be reported.
- Exercise independent judgement and interrogate information you are given, which means not simply relying on another director to read and understand relevant material needed for decisions.
- Have the right skills on the board, or seek expert advice.
- Have strong risk management processes, such as compiling a risk register to identify risks, and finding ways to mitigate those risks.
- Have good compliance policies and processes.

MORE INFORMATION

[Overview: Your legal responsibilities as a board member](#)

[Book: Step in, Step up: Everything a new community board director needs to know](#)

[Help sheets x 19: Board responsibilities – Fulfilling your governance role](#) 



How Lisa's ear for harmony is helping not-for-profits

You might not have heard of Lisa Jennings, but it's likely you have heard her.

As a professional clarinet player, Lisa played alongside such famous artists as Cliff Richards, Olivia Newton-John, and the Finn brothers, got up close with José Carreras, Luciano Pavarotti and Dame Kiri Te Kanawa, and toured Australia and New Zealand with Delta Goodrem and Andrea Bocelli. Now, as a trainer with Our Community, she spends her time showing not-for-profits how to make beautiful music together. We chatted with her to find out what she thinks of the new gig, and to learn a little about her approach to teaching.

What courses and webinars do you teach for Our Community?

I run cemetery trust governance training, as well as tailored training courses in governance and fundraising. And I'm currently trying to break the land speed record for finishing the OC Diploma of Governance so I can teach that as well.

What's been your own involvement in the community sector?

I've facilitated programs that address social equity issues, I've delivered VET music courses and health and wellbeing programs in regional and remote Aboriginal communities, and I've taught arts education programs in some of the most disadvantaged schools in Australia, working particularly with "at risk" students to help them succeed in education. I've also assisted artists to use the tools of business to better meet the needs of their communities, taught business subjects at various higher education providers, and provided informal mentoring as an arts education partnerships and projects manager.

Closer to home, I volunteer for organisations where my two teenage boys are involved: the local footy, baseball and cricket clubs, and their school music programs.

We're not asking you to blow your own trumpet (well, clarinet), but we hear you played in a symphony orchestra for many years. Can you compare that experience to working for a not-for-profit?



Lisa Jennings comes to ICDA after a varied career, much of it in music.

When an orchestra is in full flight, it is a dictatorship – with the conductor the supreme leader. Even in rehearsals, there is generally not much room for discussion. Musicians play what is written on the page, at the tempo, volume and style dictated by the conductor, which can be moderated by the addition of a soloist out the front. The result is that the musicians present as if “thinking as one”, and after many years playing together a group can develop its own distinct sound. Professional orchestras are very expensive to run, and all need government and

philanthropic funding to survive, so in a sense all are not-for profits. I think this [ABC report](#) sums up why symphony orchestras don't make money.

What have you noticed about community directors since you've started working with members of the Institute of Community Directors Australia?

I love working with them, particularly seeing their commitment to doing good through supporting communities. The sector is full of lots of very interesting and friendly people.

What's your teaching style?

I'm not a big fan of traditional teaching models where the teacher stands at the front of the class dispensing content to a passive audience.

I prefer a bit of chaos, where participants contribute to their own learning in a non-hierarchical, non-threatening atmosphere that gives everyone the confidence to experiment, fail, and learn from those experiments.

In this environment, the room buzzes, and people have the confidence to talk and disagree, as well as to reassess and challenge assumptions, and get those "Eureka" moments. For me, this is authentic, meaningful and "hands on" learning. It's also the best way to build genuinely creative solutions to the challenges faced by individuals and communities.

What's the most significant lesson you've learned outside the classroom recently?

Parenting teenagers is a constant learning opportunity. I was reminded recently – once again – that saying "do this because I say so" doesn't cut it in the long run. You must keep the communication lines open, explain, listen, sometimes admit you are wrong, and play by the rules you have all agreed on ... which can be exhausting!

What's something memorable you've heard in a recent training session?

"After yesterday's session on keeping records safe, I went out last night and bought a fire-proof safe." That was from a cemetery trust training participant.

If you couldn't be a trainer, what would you like to be?

Training is my fifth career to date, and I really enjoy it. If I couldn't do this for some reason, I'd probably get into research on how to best lead community arts practice, or start a cycling cooperative helping women get on their bikes, or get involved in the environmentally and socially sustainable housing development movement ... So many interesting things out there and so little time!

MORE INFORMATION

[Meet our other trainers](#) 

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Contributions and thanks: Community Directors Council chair Susan Pascoe, Our Community's Thinker-in-Residence Chris Borthwick, Our Community reporter Lachlan Pollock, All of our Future 500 Leaders scholarship winners, Moore Stephens' David Holland, ICDA executive director Patrick Moriarty, Community Hubs Australia CEO Sonja Hood, Moores' Rebecca Lambert-Smith and Marla Cowen, NFP strategist Wendy Brooks, ACNC Commissioner Gary Johns, Catherine and Andrew Brooks, culture strategist Sheena Boughen, ICDA trainer Lisa Jennings.



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