

ARBITER LEADERSHIP TECHNOLOGIES WHITE PAPER

# Shaping Government Boards: 12 Exemplary Practices

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## CONTEXT FOR THE 12 PRACTICES

Arbiter Leadership Technologies Partners in many parts of the world have worked with Boards on the search for Board members / Non-Executive Directors for publicly listed companies, other commercial sector and not-for-profit boards, and, in particular countries on appointments to government boards and statutory authorities. There are many similarities, but also some differences.

We were recently commissioned to work with a major government agency to identify exemplary practice for Government Boards, particularly those in the creative and cultural industries\*. These agencies tend to have multiple funding sources, including some government grants, revenue from visitors or audience members depending on the nature of the organisation, philanthropic and corporate sources. Their governance is often complex and they tend to have a complex web of stakeholders. Our remit was to develop an informed and objective approach to identifying the skills and experience required of board members and how these could be applied.

As part of this work, we interviewed CEOs and Board and Council Chairs and board members to glean their learnings and insights on what makes boards work well: what is different about really effective boards that enables them to provide the strategic oversight and insights needed for what are often large, complex and politically sensitive organisations that require real transparency about their stewardship and impact?

In this paper we share our recommended practices from learnings about the governance and functioning of well-performing government boards from the synthesis of our interviews, our research, analysis of dozens of boards, and our experience as board search consultants and board advisors. We look at the composition of boards, the attributes required of all board members and then how to identify the specific skills and experience needed by different boards. We describe 12 exemplary board practices, including the characteristics of good chairs, the 'T shaped' behavioural and experience requirements of board members and whole-of-board attributes.

Many of these learnings apply to board of all types, but we have chosen to focus on government boards.

\* *The initial engagement that led to this paper was commissioned by Secretary Mike Mrdak, Department of Communication and the Arts. We would like to thank Mike and his team, including Deputy Secretary Richard Eccles, and Dr Stephen Arnott for their support and discussions. We also thank the 18 Board Chairs and CEOs who shared their insights and considerable experience with us.*

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## 1. GOVERNMENT BOARDS ENABLE GOVERNMENT BUSINESS

Governments are increasingly using Boards and Statutory Authorities to carry out different types of work for public purpose and benefit. Some Government Boards oversee large and complex cultural institutions or creative bodies; others oversee multi-million-dollar trading enterprises; and some are focused on a range of service delivery, administrative or regularly functions.

This approach to getting work done tends to be more common in countries associated with the former British Commonwealth including the UK, Australia, Canada, India, New Zealand and South Africa. Other countries such as Fiji have developed a hybrid of this approach where they see major government owned industries working in a fully commercial way.

Many of these boards are for Statutory Authorities, which are organisations established through specific legislation for a public purpose. Statutory authority boards are appointed by the government of the day and enact legislation on behalf of the relevant country, regional or state government. Increasingly mechanisms such as these provides ways to engage external expertise to provide strategic oversight and insights into areas that cross public, commercial and not-for-profit interests.

*The challenge in terms of board membership and board operations is to have a strong appreciation of the ambiguity inherent in how government works. There tends to be a larger number of significant stakeholders, in a more political environment and decision rights can be blurred. This often requires more nuanced approaches to tackling the board's role, and its influencing and decision making.*

## 2. EFFECTIVE BOARDS AND BOARD MEMBERS BLEND MULTIPLE ATTRIBUTES

The foundation stones for effective boards are clarity around context and accountabilities, a talented and facilitative chair and board members with the right blend of commitment, expertise, experience and behavioural attributes.

Board members require both general and specific capabilities. The notion of the 'T shaped' board member is one way to think about this: every board member requires both generalist and specific capabilities and expertise.

The horizontal part of the T are the functional and behavioural attributes required of all board members. The vertical part of the T are the areas of specific expertise and

experience that individuals need to bring to their board membership. These specific capabilities or expertise depend on what each board needs a particular point in time.

### 3. EXEMPLARY PRACTICES ARE IN FIVE KEY AREAS

We have identified 12 practices in five categories that are strong indicators of exemplary practices for government boards:

- Context and chair attributes
- Generic behavioural and functional attributes
- Specific expertise attributes
- Personal and demographic attributes
- Whole of Board attributes

### 4. CONTEXT PRACTICES FOCUS ON CLARITY AND BEHAVIOURS

#### ***Practice 1: Clarify the Nature and Context of the Board and Accountabilities***

**Each board needs to ensure that there is a well-documented set of statements that clarify the role of the board and its board members viz-a-viz the role of the CEO and executive team.**

Development of an approach to exemplary practice in board appointments and for the composition of particular boards, assumes that the nature of the board, and its role and remit is clear.

Government boards are often framed by different legislation and specific requirements regarding a portion of the board's membership. While there are many common needs across all boards, what is 'best' for one board, is not necessarily the 'best' for all boards - hence our focus on *exemplary* practice for boards – rather than *best* practice.

An initial distinguishing attribute regarding the nature of boards relates to their parent bodies or the jurisdictions which have oversight or influence. One interviewee referred to this as the 'architectural arrangements of the board'. For example, in the Creative industries in Australia we identified two major groupings:

- Group A: Creative Industries organisations and their boards in both federal and state government where a Government Minister makes the final decision in relation

to board membership, and where that government significantly funds the organisation. This would include for example, the National Gallery of Australia and the National Film and Sound Archive at the federal level, and, amongst the different states, the National Gallery of Victoria, the State Library of NSW, the Sydney Opera House Trust and the State Library of Queensland.

- Group B: Creative Industries organisations and their boards which are not governed by state or federal legislation but in which governments have a strong interest and partially fund. Generally, it is the members of the organisation who determine the board members. This would include organisations such as major orchestras, and mainstream theatre, ballet and other dance companies.

The expectations and requirements of boards in these different categories, and often amongst these categories, vary in a number of ways, including reporting requirements. Some of the Group A boards also have specific requirements in relation to board membership.

The role and remit of each board shapes the accountabilities of board members. This in turn shapes how the board approaches strategy development and oversight and then the capabilities the board requires. As several interviewees expressed it: *'Governance determines what the board requires and thus the nature of, and guidelines for, board membership'*.

As expressed by one experienced board chair: *'Ensuring there is a coherent strategy is at the top of what a board needs to do, so everybody then understands what is, and is not, important: what is it we want to achieve? What is the game plan?'*

Each board member would be expected to have the experience and capabilities to both contribute to and to challenge the strategy of the organisation, and how the organisation is led and managed to achieve its objectives, but not to interfere with the everyday operations of the organisation.

The nature of the relationship between the board and management needs to be specified if not already clear. In one organisation this was stated as the board having an oversight, strategic planning and monitoring role, while the senior executive team was responsible for performance and corporate management. In the words of one board chair, this brought about the board's need to have *'good knowledge of the enterprise, and to know what the levers are that will make the organisation succeed'*. In another organisation, the accountabilities had to be worked through carefully as their enacting legislation stated that

*‘the Board and Senior Executive work together to develop, implement and monitor key strategies that enable [the organisation] to meet the government’s objectives’.*

**Practice 2: Pay particular attention to the qualities required for the board chair**

**The board chair shapes the nature of discourse and direction. It is the board chair who sets the tone, clarifies scope and the expectations of board members, and plays the key role in the relationship between the board and the CEO.**

The pivotal role of the board chair was emphasised in just about every interview. As several interviewees noted too, a good board chair also attracts good board members.

He or she requires strong facilitation and good people skills, as well as a sound grasp of organisational cultures. They need to be willing to really get to know the organisation and how it works. They need to create space for robust debate and keep their ego in check. They need to be able to chair in a ‘forensic and robust way’, in the words of one experienced chair. They need to be completely focused on the outcomes the organisation needs.

The chair also plays the lead role in shaping his or her relationships with the CEO and between the board members and the CEO. Mutual respect is critical and this is important to role model for other board members to follow the chair’s lead.

## 5. THE T SHAPED BOARD MEMBER’S GENERIC BEHAVIOURAL AND FUNCTIONAL ATTRIBUTES

**Practice 3: Ensure T shaped attribute 1 – Commitment to the organisation’s domain.**

**Evidence of commitment to and interest in the organisation’s domain, was seen as essential, along with the willingness and ability to devote time and energy to the role.**

Effective board members were seen as those with a demonstrable interest in the domain area. Without that interest it was likely that they would not have, or develop, the passion, or put in the time and energy, required to be an effective board member. By way of example from the creative industries, their interest could range from engagement as members of institutions or regular visitors, to those who might have some creative experience in their past but perhaps not a practising artist. At a very engaged end they could be collectors in the case of visual arts, libraries and museums.

***Practice 4: T shaped attribute 2 – Ability to address strategic context and challenges and opportunities.***

**Board members need to have a good strategic lens through which to understand and contribute to the longer-term strategic context of the organisation. This is about the ‘bigger picture’, and possible future growth paths and potential role.**

A key concern of some of those interviewed was the narrow focus or interest that board members sometimes displayed. Despite what might be their personal interests, board members need to be able to take one step back, and to look at the ‘big picture’. In the words of one chair: *‘board members are not there as caretakers or maintainers. They are there to grow and sustain things’.*

***Practice 5: T shaped attribute 3 – Evidence of being collaborative, team players.***

**There is strong evidence that a range of behavioural attributes provide the foundation for teamwork. These attributes in board directors greatly increase their chances of being a positive contributor to an effective board.**

The board chairs interviewed were particularly articulate about the necessity for board members to be good team players, who were able to collaborate effectively in the interests of the organisation. The board had a critical job to do and they were there for the good of the organisation, as with any board role. Some expressed this as the ability to develop a good board culture, and, those who sought to dominate on boards did not help that process. Each board should have, and be able to enjoy, diversity of thinking and of opinions while demonstrating mutual respect.

Sometimes too, individual board members were ‘single issue’ people who could not see past that issue, and this was not at all helpful. They had what one CEO described as ‘monomania’ in terms of a ‘pet project’ or ‘pet point of view’. A place on any government board should be seen as a privilege, particularly those of national significance.

The attributes sought for good team players were a combination of:

- Openness and transparency in behaviour
- Evidence of collaboration and collegial ways of working
- The ability to listen to others and take in their views
- The capacity and willingness to challenge respectfully

- Good communication skills
- Emotional maturity
- High integrity and ethical standards

***Practice 6: T shaped attribute 4 – A base set of functional financial and governance literacy.***

**Each board member needs a base set of functional competencies to discharge their duties as a member of a board, inclusive of financial and governance literacy and appropriate legislative understanding of the role and remit of the board.**

It was emphasised many times that the board's first and primary responsibility is to ensure sound financial arrangements are in place in the organisation. These are the 'first order of business' as, in the words of one board chair: *'Sound financials mean that you can then focus on what is important . . . and where the board can add real value'*.

All board members require financial and governance literacy at least to the level of a reputable Company Director program. In Australia for example, the expectation would be that they had completed the graduate program of the Australian Institute of Company Directors.

They need to be able to gain a good understanding of statutory and fiduciary duties, including the legislation governing the organisation and the board's remit, and the accountability of the board. They really need to be able to understand the business dynamics of the organisation, and the 'key drivers' that will bring about economic performance and financial success.

## **6. SPECIFIC EXPERTISE ATTRIBUTES VARY ACCORDING TO THE NATURE OF THE BOARD**

**Practice 7: Carefully identify the Specific Experience and Expertise the board needs.**

**Government board members should encompass those with specific areas of expertise, noting that most of these organisations are complex. They operate in dynamic environments with multiple levels of stakeholders.**

There was general agreement on most of the capabilities, while at the same time there was a level of nuance about a number of them. The bottom line for some chairs was to ensure

that their boards had the capabilities and the nous so as *'not to embarrass the government'*.

Some CEOs were keen to note that it was important for board members with top level business management expertise to really come to grips with the nature of the remit of the public sector or statutory authority board. While they had some similar demands compared to commercial organisations, they also had significant differences: it was not 'one size fits all', or 'what worked in here will work there'.

### Key Expertise and Experience Areas for Government boards

#### *Relevant domain experience*

The CEOs and Board chairs thought it was essential to have experience at a senior level in their domain on the board. This could provide a perspective or a voice that was sometimes absent at critical points in discussions. They wanted 'lived experience' of those who really understood both the dynamics of the relevant industry and the people and culture who comprised organisations in that industry. As with peer board members, they needed to be personally confident and appropriately assertive around the boardroom table, and, be willing to engage in robust debate.

#### *Business management experience gained from working in an executive role in complex commercial organisations.*

Most of the CEOs interviewed explained that amongst their executive teams they often had well-developed expertise in relation to business and financial management, legal and marketing executives (including digital and data marketing), and increasingly, technology and digital expertise. They believed that any business and functional specialists on the board should not simply duplicate the skills they had internally, but really add value in terms of strategic insight.

#### *Financial management expertise with relevant financial qualifications and experience gained from working in an executive role in complex organisations.*

In those with financial management expertise, particular strengths in risk management were sought, including the ability to foresee any potential financial trends or issues that might not be apparent on a day to day basis. Some government boards carried particular intrinsic risk as, without good stewardship and a good balance sheet, they would not be

able to withstand one bad year. There was also the need to ensure a good level of expertise to chair committees such as Audit and Risk.

*Legal experience with relevant legal qualifications and experience working in, or advising, complex organisations at the executive level.*

CEOs and Board Chairs interviewed had mixed views on the importance of a board member with legal expertise. Some valued the perspective and clarity of thought legal training provided. Others believed that they would rather use a valuable board seat to gain other perspectives. Their internal and external service legal service providers were sufficient.

*Consumer / Industry focused technology and digital experience*

Increasingly Board chairs and CEOs were seeking and appointing those with strong technology and digital experience. Those they sought had were working at the executive level in a technology/digital role in a commercial enterprise (such as a CIO or CTO or in Digital Marketing), or with a technology /digital services firm. Those of most interest were generally consumer focused executives who had a good experience in building consumer channels and business capabilities that were enabled or driven by deploying smart technologies.

*Strategic Risk Management gained from working in strategic marketing, communications, reputational risk and public relations.*

The area of strategic marketing and communications has risen recently in importance in government boards. This is specifically in relation to the need for a high level and informed approach to reputational risk.

There was a view that this area has been under-valued in the past. Five interviewees suggested that having a board member with such experience would be very valuable in terms of the insight and foresight available to the board. Their expectation was that expertise in this area would ensure that reputational issues in particular were clearly signalled as part of decision-making.

*Public policy management and experience gained from working in an executive role in complex public sector organisations.*

One area that tends to be under-represented on government boards, but is strongly supported by CEOs and some board members interviewed, is experience at the most senior levels of public administration and public policy.

Executives or former executives from the public sector were seen as having strong relevance because they understand the ambiguity of how government works, including political environments, and the differences between political and logical decision making. They understand too, the nexus between business, government and various industries. They understand how to manage risk and the context of regulation and compliance, but, were not defined by that. They can also provide an articulate counter balance to some of those with business backgrounds who could be less patient or less understanding of processes to do with probity. They know what make, and how to develop, successful business cases for government funding.

## 7. ATTEND TO DIVERSITY INCLUDING PERSONAL AND DEMOGRAPHIC ATTRIBUTES

**Practice 8: Consider if the mix of board members reflects community expectations and engagement.**

**There was recognition that government boards, to at least some extent, should reflect the society of which they are a part, and that very few did that.**

Boards tended to lack a good range of perspectives from different life experiences. Board members did not necessarily have the range of informed perspectives or experiences of those with whom they were trying to partner, with their actual and potential customers, and audiences, with those whom they wanted to influence and those with whom they wanted to engage. They did not reflect the diversity of the community the organisation was seeking to serve.

There is strong acknowledgement that the age profile of many of boards is likely to mean that amongst the board members there might not be a sufficiently strong grasp of the interest and aspirations of those from other demographics. This includes those who are younger, as, in the words of one CEO, *'they just think differently'*.

On some boards, the geographic and place-based profile and affiliation of board members is particularly important to assist providing diversity of experience and input around the board table. This applied both to a mix of states or regions being represented around the board table, as well as the mix of metropolitan and non-metropolitan experience and affiliation.

Board memberships often did not include those with Indigenous backgrounds, heritage, and affiliations, thus missing out on particular insights. This was particularly important in

any boards related to history, heritage, performing arts or broader culture and communications portfolio boards.

Several CEOs noted that the first names mentioned for potential business leaders on their boards were usually men. However, their experience of ‘corporate women’ had been particularly positive. They found them to be more collaborative and better listeners than their male counterparts.

An often, unstated assumption was that amongst board members there should be a spread of very experienced and some less experienced board members. This helped to rejuvenate thinking with people who would ask the necessary ‘obvious questions’, or who would be prepared to address ‘the elephant in the room’.

## 8. ENSURE WHOLE OF BOARD THINKING RE SUCCESSION, CHAIR ROLES, INDUCTION

**Practice 9: Consider board succession planning and chair requirements in board member appointments**

**Amongst the board members there needs to those with the experience, qualities, facilitation skills and sense of presence to be effective chairs for both the board and its sub-committees.**

Succession planning to ensure a level of continuity for a smooth transition from one chair to the next is critical. There needs to ongoing scrutiny of board members and board recruitment in relation to potential for next board chair.

There is also of course to the need to ensure amongst members that there are those with chair and facilitation capabilities to chair board sub-committees. These might include Audit and Risk, Finance, People and Culture, Strategy and the Foundation Board.

In Practice 11 we discuss the issue of the high net worth donors and those who have access to them in relation to board membership. We discuss the membership and relationship between governance and foundation boards where there is a remit to develop further funding, development and investment options.

**Practice 10: Consider board member credibility and connectedness to stakeholders**

**Government boards have particular need in relation to how they relate to their government stakeholders – Ministry and the bureaucracy – as well as the community more generally.**

In addition to the more specific factors listed above, board chairs and CEOs noted several other factors that should be kept in mind when looking at the totality of board membership.

- Each board should have at least three people who were seen as credible to provide advice to the Minister. The rationale is that there were sometimes situations that require the ability to explain, present a business case, or provide appropriate and perhaps delicate advice. Those who convey that advice need to be people whom the Minister would or could respect.
- Each board needs to be able to maintain a ‘connectedness to government’. Some boards had sometimes seen themselves as ‘outside’ government and, amongst their members, there were not enough board members who really valued or understood the value of being appropriately connected on an ongoing basis.
- The links between the Minister, the organisation and the board itself, has to be a ‘well calibrated dance’ as one board chair noted. If any one of those four falters, or are seen as ‘cavalier, disrespectful, neglectful, or inattentive’, then there will be significant impact on all players.

***Practice 11: Effective Boards with Foundations integrate governance and foundation boards***

**Government boards with fundraising or foundation bodies, have particular governance requirements. Our experience is that effective structure for well-functioning boards generally separate out their main Governance (or Business) Board with their Foundation Board; but they also integrate them effectively. The Foundation Board is usually a sub-committee of the Governance Board and the Foundation Board chair is a member of the Governance Board.**

One of the perennial concerns of Government boards, or those supported by government funds, in the cultural and creative, sporting and education sectors is fundraising. Government funds might provide some base funding but this has not kept pace with the nature of expectations and demands. The survival of their programs, and particularly their level of innovation and digital presence, is creating new demands. Funding from corporate sponsors, philanthropists, foundations and sometimes long-term investments, are now all seen as part of the total financial package and arrangements expected of institutions.

The funding needs and fundraising activities have, in the view of some, brought about confusion in relation to board membership. The strategic governance requirements of boards continues, but, there is often a dilemma, in the words of one interviewee - *'about how many great networkers or potential donors are needed are on a board of say 8 or 10 people'*. Over-emphasis on high net worth individuals who might become or are significant donors, can skew both board membership and the nature of discourse amongst board members and their meetings.

The institutions that were most comfortable about their arrangements tended to be those who separated out – but linked – what we would call their Governance Board from their Foundation Board. The Governance Board certainly contained a number of high net worth individuals who were also donors, but there was a balance of other backgrounds. For these types we would recommend that on the Governance Board there be at least two members who have some combination of high net wealth, a track record as philanthropist or donor, or a strong networker amongst the high net wealth and philanthropic circles. This then enables the organisation to welcome many more potential or actual donors and good networkers onto their Foundation Board. In discussions this was also favoured solution by a majority of those we interviewed.

***Practice 12: Effective boards take board member induction seriously***

**Board member preparation and induction is essential to ensure board members make the contribution they seek and that the board gain the full value of their expertise.**

A regular theme from both board chairs and CEOs was that not enough time and attention was spent on inducting new board members. The consequences of this was that too often board members did not have a good enough understanding of their role and commitments, and the difference between board and executive management accountabilities. The latter was particularly the case where this board membership was the first non-executive director the board member had had, or the first that was outside that of, say, a family owned company or a private business that they ran themselves.

There was also a view that each board member had to have a strong grasp of the teaming and collaborative behaviours expected of them. Some came from situations where aggressive or perhaps individualistic behaviour was encouraged. This was not appropriate for boards and both the selection process and induction process were important in establishing this without equivocation. Again, the role of the chair, as well as the tone set by the chair was important here.

It could also be useful to institute a ‘buddy’ system for, say, the first 6 months for a new board member.

In relation to less experienced board members, the combination of attributes and expertise encompassed above can be quite daunting. For example, it might be challenging to identify those with different demographics who qualify in relation the top part of the T requirements for all members as well as key specific areas.

One approach is to identify near-ready board members and provide them with additional training or exposure. This could mean identifying emerging leaders and entrepreneurs who have done well at a young age, and have them shadow an experienced board member for, say, 6 months. Gaps in areas of expertise could be addressed, and they would also be able to identify if these types of memberships were something to which they could be suited.

While organisations such as the AICD in Australia provide a well-regarded mentoring program, those who gain entry to that program tend to be focused on business or listed board roles. There is a clear role for agencies with a portfolio of associated boards, councils and authorities, to develop a targeted induction process for new board members – in the same way they might do for groups of new chief executives, particularly those coming from diverse industries and sectors.

## 9. DEVELOPMENT OF A COHERENT AND EVIDENCE BASED BOARD MATRIX

Arbiter Leadership Technologies has worked with many boards to identify the experience and expertise attributes they need now and into the future. We develop a clear and simple matrix that depicts the T shaped requirements for board membership. We then work with each board member to identify their individual attributes, and collate this to clearly identify the gaps.

This matrix process provides the foundation for well-focused board searches, and a strong base against which to assess board candidates. It means the recommendations from a board's nominating committee can be well calibrated and the subsequent decision making in relation to selecting new board members is a much more considered and objective process.

In relation to government boards we have developed a sample matrix which is adjusted for each particular board.

Below, we provide a sample Creative Industries board by way of example. This maps the T shape in terms of attributes required of all board members, the specific experience and expertise of relevance, some personal and demographic attributes (not all of which are likely to be covered), and philanthropic and networking attributes.

Each board director (D1, D2 etc) would indicate by a 'x' where they believe they have that attribute, noting that most will only meet, say two or three of the expertise and experience attributes.

There would be subsequent and expanded versions of this to allow tracking against Board membership attributes and capabilities. Each board would always have a 'live' up-to-date version as part of their commitment to good board governance.

**10. SAMPLE COMPOSITE MATRIX FOR A GOVERNMENT CREATIVE INDUSTRY BOARD**

<b>Attributes required of all members</b>	<b>D1</b>	<b>D2</b>	<b>D3</b>	<b>D4</b>	<b>D5</b>	<b>D6</b>	<b>D7</b>	<b>D8</b>	<b>D9</b>	<b>D10</b>
Commitment to organisation's domain										
Strategic / Longer-term perspective										
Base set of functional competencies										
Appropriate behavioural attributes										
<b>Specific capabilities / experience that may need to be represented</b>	<b>D1</b>	<b>D2</b>	<b>D3</b>	<b>D4</b>	<b>D5</b>	<b>D6</b>	<b>D7</b>	<b>D8</b>	<b>D9</b>	<b>D10</b>
Business management experience										
Financial management expertise										
Legal experience										
Technology / digital experience										
Creative industry domain experience										
Public policy management experience										
Strategic marketing / Risk management										
Previous board director experience										
<b>Personal or demographic attributes</b>	<b>D1</b>	<b>D2</b>	<b>D3</b>	<b>D4</b>	<b>D5</b>	<b>D6</b>	<b>D7</b>	<b>D8</b>	<b>D9</b>	<b>D10</b>
Indigenous background										
Diversity re age range										
Diversity re ethnicity, demography										
State spread, metro / non-metro										
Other aspects of diversity (eg gender)										
<b>Philanthropic, fundraising, networking</b>	<b>D1</b>	<b>D2</b>	<b>D3</b>	<b>D4</b>	<b>D5</b>	<b>D6</b>	<b>D7</b>	<b>D8</b>	<b>D9</b>	<b>D10</b>
High Net Wealth Philanthropist/Donor										
Networker, Access to HNW Donors										

## 11. THE SUMMARY - 12 EXEMPLARY PRACTICES

### **Practice 1:** *Clarify the Nature and Context of the Board and Accountabilities*

Each board needs to ensure that there is a well-documented set of statements that clarify the role of the board and its board members viz-a-viz the role of the CEO and executive team.

### **Practice 2:** *Pay particular attention to the qualities required for the board chair*

The board chair shapes the nature of discourse and direction. It is the board chair who sets the tone, clarifies scope and the expectations of board members, and plays the key role in the relationship between the board and the CEO.

### **Practice 3:** *Ensure T shaped attribute 1 – Commitment to the organisation’s domain.*

Evidence of commitment to and interest in the organisation’s domain, was seen as essential, along with the willingness and ability to devote time and energy to the role.

### **Practice 4:** *T shaped attribute 2 – Ability to address strategic context and challenges and opportunities.*

Board members need to have a good strategic lens through which to understand and contribute to the longer-term strategic context of the organisation. This is about the ‘bigger picture’, and possible future growth paths and potential role.

### **Practice 5:** *T shaped attribute 3 – Evidence of being collaborative, team players.*

There is strong evidence that a range of behavioural attributes provide the foundation for teamwork. These attributes in board directors greatly increase their chances of being a positive contributor to an effective board.

### **Practice 6:** *T shaped attribute 4 – A base set of functional financial and governance literacy.*

Each board member needs a base set of functional competencies to discharge their duties as a member of a board, inclusive of financial and governance literacy and appropriate legislative understanding of the role and remit of the board.

**Practice 7:** *Carefully identify the Specific Experience and Expertise the board needs.*

Government board members should encompass those with specific areas of expertise, noting that most of these organisations are complex. They operate in dynamic environments with multiple levels of stakeholders.

**Practice 8:** *Consider if the mix of board members reflects community expectations and engagement.*

There was recognition that government boards, to at least some extent, should reflect the society of which they are a part, and that very few did that.

**Practice 9:** *Consider board succession planning and chair requirements in board member appointments*

Amongst the board members there needs to those with the experience, qualities, facilitation skills and sense of presence to be effective chairs for both the board and its sub-committees.

**Practice 10:** *Consider board member credibility and connectedness to stakeholders*

Government boards have particular need in relation to how they relate to their government stakeholders – Ministry and the bureaucracy – as well as the community more generally.

**Practice 11:** *Effective Boards with Foundations integrate governance and foundation boards*

Government boards with fundraising or foundation bodies, have particular governance requirements. Our experience is that effective structure for well-functioning boards generally separate out their main Governance (or Business) Board with their Foundation Board; but they also integrate them effectively. The Foundation Board is usually a sub-committee of the Governance Board and the Foundation Board chair is a member of the Governance Board.

**Practice 12:** *Effective boards take board member induction seriously*

Board member preparation and induction is essential to ensure board members make the contribution they seek and that the board gain the full value of their expertise.

## 12. USEFUL REFERENCES

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