



FOR OBSERVERS

PROGRAM HANDBOOK

SYDNEY 2020

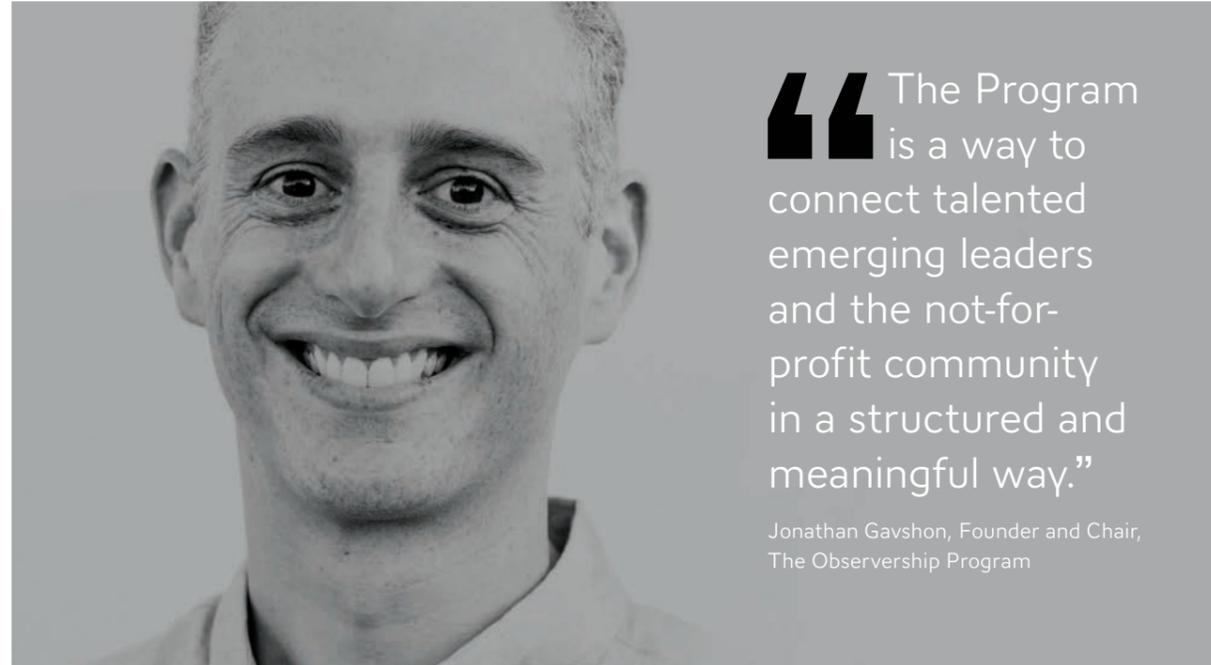
“The Observership Program is in my opinion an outstanding way for the future directors of all levels of Australian business to gain experience in what to do and indeed what not to do around the board table.”

David Gonski AC (Patron, The Observership Program)



CONTENTS

Welcome	03
Program Details	03
Training Overview	08
Program Snapshot	12
Observer Profiles	15
Legal Responsibilities as an Observer	27
Our Governance	28
Contact Us	28



WELCOME

CONGRATULATIONS WELCOME TO THE 2020 OBSERVERSHIP PROGRAM.

Your participation in the Program will provide you with a unique opportunity to develop the skills and experience to pursue leadership roles in the not-for-profit sector and the wider community.

This guide has been developed to provide information to help you prepare for the journey that awaits and to ensure that your experience is rewarding and enriching.

We want to take this opportunity to thank you for giving a portion of your precious time and talent to the not-for-profit sector.

Enjoy the year ahead. We trust it will be an exciting one.

JONATHAN GAVSHON
Founder and Chair

CATHY ROBINSON
CEO

PROGRAM DETAILS

Founded in 2014, The Observership Program facilitates the involvement of talented and energetic individuals with a diverse range of skills and backgrounds in a structured experience on not-for-profit boards. It is a powerful tool to engage emerging community leaders while giving participating not-for-profit boards insight into the next generation's perspective. Over 500 Observers have participated in the Program, observing on the boards of over 190 not-for-profit organisations.

The Observership Program has run in Sydney since 2014 and in Melbourne since 2017.



GENERAL INFORMATION

THE PROGRAM RUNS FEBRUARY – DECEMBER 2020

Participation in the Program requires you to attend all training sessions, board and subcommittee meetings. You are an ambassador for The Observership Program and failure to demonstrate adequate commitment jeopardises opportunities for future candidates.

Please confirm all board meeting and other key dates directly with your organisation and diarise meetings accordingly.

Please notify your employer of your participation in the Program to ensure their support when leaving the office early to attend training sessions or board meetings.

Your placement as an Observer will conclude at the beginning of December 2020 or with your attendance at your organisation's final board meeting for 2020. At the conclusion of the Program, The Observership Program will liaise with each organisation regarding the placement of a new Observer for 2021, so any further involvement with your organisation will be based on mutual agreement and outside of the formal Program.

BOARD LIAISON

Each participating board is asked to identify a Board Liaison who is responsible for being the point of contact for the Observer and for The Observership Program. If your board has not identified one for you before your first board meeting, please contact us.

Please contact your Board Liaison with any questions about serving as an Observer on the board, including details for board meetings, board expectations of their Observer and board culture.

“The Observership Program is a fantastic opportunity to learn about the role and responsibilities of an NFP Board member, plus an excellent training course and chances to network with extremely interesting and well-connected people.”

Alvaro Rodas Fernandez, 2019 Sydney Observer

PREPARATION FOR PROGRAM COMMENCEMENT

Prior to your first board meeting or the first Observership Program training session, whichever occurs earlier, please make sure you have completed the following;

1. Police Check: Provided your proof of identity documents, uploaded your consent form and completed the online form following notification received from Belinda Da Silva.
2. Familiarised yourself with the confidentiality terms of the Program.
3. Diarised all board meetings and training sessions for the year.
4. Informed your board chair and/or board liaison of any conflicts regarding board meetings.
5. Informed the Program of any conflicts regarding the training sessions.

If a board meeting and training session are scheduled for the same time, please inform your Program contact and your board contact. In case of this conflict, while the final decision will be yours to make the Program recommends attending the board meeting.



EXPECTATIONS AND HANDY HINTS

WHAT YOU CAN EXPECT:

- High level training for not-for-profit directors delivered by AICD and The Ethics Centre.
- A year-long program to build your experience and confidence in serving on a not-for-profit board.
- Access to experienced Board directors from both the not-for-profit and for-profit sectors.
- Possible involvement in a strategic project or board subcommittee.
- Networking opportunities with fellow and former participants in the Program. The Observership Program will connect you with the previous year's Observer on your organisation's board.
- A rewarding professional development experience that facilitates your contribution to society in a meaningful way.

HANDY HINTS:

- Discussions that occur at board meetings are confidential. It is essential that Observers understand and respect this confidentiality. As part of your application to The Observership Program you accepted a confidentiality agreement and it is essential that you abide by the terms of this agreement.
- Please handle your role with sensitivity and only speak if either the Chair invites you to contribute or if it becomes clear that your opinion is welcome in general boardroom discussion. We encourage you to check in with the Chair or your board contact person prior to your first board meeting to discuss expectations, content and delivery of your contributions.
- Your presence at board meetings is at the discretion of the Chair. There are some circumstances where it will not be appropriate for you to attend or participate in a board meeting or discussion. We have agreed with each Chair that in extreme cases, the Observer may be asked to leave. Please handle this request sensitively.
- We encourage you to ask the Chair or board secretary to minute that you are attending each meeting by invitation in the capacity of Observer.
- Do NOT vote in any voting matters even if asked to do so by the Chair.
- Make it clear in all dealings that you are an Observer. For example, it is recommended that when contributing to discussions you highlight your role in the following way: "In my capacity as Observer, I think that..."
- While being offered a formal board position at the conclusion of the Program can happen, it is not a pre-requisite for a not-for-profit organisation to participate in the Program and should not be an expectation of Observers.
- Our training course is designed to provide an overview of the key topics relevant to not-for-profit directorship and governance, as part of a combined experience of the theory and practice of not-for-profit directorship. AICD runs more in-depth courses for those interested.

Establishing open and direct communication early on with your Board Liaison is the key to a successful Observership. Take responsibility for asking questions, clarifying expectations on both sides and in the event of any issues arising or advice needed, please contact your Program Director.

“ I feel that the knowledge and experience gained throughout The Observership Program is already being put to good use at work as well as in my new role as a Board Director. In general, my understanding of the role of Directors is now a lot clearer as well as the role and responsibility of ARIA and the way it's run as an organisation.”

Emily Crews, 2019 Sydney Observer



WE ENCOURAGE YOU TO CONTACT US IF:

- You are having trouble fulfilling your obligations to attend training and/or board meetings
- There is anything untoward, including inappropriate behaviour that occurs at your meetings that is cause for concern
- You are being asked to excuse yourself from meetings on a frequent basis
- You are not receiving a full set of materials
- You have any general concerns about your participation

We will treat the matter with utmost confidentiality and contact the organisation on your behalf to resolve these matters if appropriate.

FEEDBACK

Throughout the year we will be conducting feedback via online surveys, during the training sessions and/or by calling you directly. We appreciate your provision of any feedback requested in the specified time. Your feedback is critical for the future success of the Program. We will do the same with the participating organisations.

We also encourage you to contact us directly with any specific feedback or questions that you have at any time throughout the year.

TRAINING OVERVIEW

The Training Program is a combination of formal education sessions provided in partnership with our strategic partners the Australian Institute of Company Directors (AICD) and The Ethics Centre, that encompasses key subject areas important for not-for-profit governance and networking sessions with high profile guest speakers.

“The Observership Program is a unique opportunity for young people to experience the complexity of governing a not-for-profit organisation whilst also offering the opportunity to utilize the skills and enthusiasm of the Program participants. It’s a real win/win.”

Phil Butler, Sector Leader, Not-for-Profit, AICD

KEY DETAILS

There are nine sessions in the training program during the year, all held in the CBD. Sessions open at 5.30pm for a 6.00pm start and conclude by 8.30pm.

Training sessions encompass key subject areas essential for not-for-profit governance, including:

- Directors’ duties and responsibilities;
- Finance;
- Strategy;
- Risk; and
- Ethics

Guest speakers with significant experience on both not-for-profit and for-profit boards are invited to share personal and professional insights with Observers at training sessions.

All sessions are MANDATORY.

If under extenuating circumstances, you are unable to attend any of the sessions please contact us. This includes arriving late or leaving early. Access to the training venues after hours can be restricted so latecomers will not always be able to enter easily.

Information about the Program’s scheduled training sessions will be sent to all Observers. Any changes to these sessions will be communicated. Special events and sessions will be communicated separately.

“It is the theoretical, tailored training component, added to the practical experience of sitting on a board as an observer for a year that makes The Observership Program unique in this country.”

Cathy Robinson CEO,
The Observership Program

OUR TRAINING PROVIDER (AICD)

AICD develops the content and materials for The Observership Program training sessions and provides us with their expert facilitators. AICD’s vision is to strengthen society through world class governance.

Biographies for facilitators can be found on Page 11 of this Handbook. Where available, links to webinars and other course materials will be distributed via AICD’s database.

AICD’s principals activities include:

- Education;
- Conducting professional development programs and events for boards and directors;
- Producing publications on director and governance issues; and
- Developing and promoting policies on issues of interest to directors.

The AICD has more than 43,000 members including over 1,700 internationally. Members include directors from such diverse organisations as ASX-listed companies, government bodies, not-for-profit organisations, charities, family-owned/private companies and entrepreneurial ventures.

The AICD has agreed to waive the membership joining fee of \$220 for participants in The Observership Program. If you are interested in joining and would like to take advantage of this benefit, please contact Cathy Robinson.

OUR TRAINING PROVIDER (THE ETHICS CENTRE)

The Ethics Centre is proud to contribute to The Observership Program as a Strategic Partner and a provider of specialist ethics training for the Observer cohort. The Ethics Centre is a non-profit organisation founded 30 years ago to raise the ethical standards of Australian business. The organisation has grown to encompass a broad spectrum of activities including consulting, education and training, counselling, thought leadership and major events. They’ve provided ethics tools and training to the military, primary schools, trade unions and non-profits. Many of Australia’s largest companies have called on The Ethics Centre for specialist advice and insights.

For the past decade The Ethics Centre has presented the popular IQ2 debate series and the internationally renowned Festival of Dangerous Ideas. The Ethics Centre operates Ethi-call – a free helpline available to anyone struggling with an ethical dilemma – and they recently launched a new corporate membership program, The Ethics Alliance. To find out more about The Ethics Centre, visit www.ethics.org.au.



Phil Butler, Sector Leader, NFP, AICD



TRAINING TIMETABLE SYDNEY 2020

All training sessions will be held from 5.30pm arrival for a 6.00pm start and concluding at 8.30pm, unless otherwise advised.

DATE	TOPIC	LOCATION	GUEST SPEAKER/ FACILITATOR
WEDNESDAY 5 FEBRUARY	Program Launch Event	Art Gallery NSW The Domain, Sydney	David Gonski AC and a panel of former Observers
WEDNESDAY 19 FEBRUARY	Duties and Responsibilities for NFP Directors	UBS Offices, Level 16 Chifley Tower, Sydney	Dr Melinda Muth, AICD
WEDNESDAY 4 MARCH	Finance for the NFP Director	UBS Offices, Level 16 Chifley Tower, Sydney	Barry Rafe, AICD
WEDNESDAY 18 MARCH	Strategy for the NFP Director	UBS Offices, Level 16 Chifley Tower, Sydney	Dr Melinda Muth, AICD
WEDNESDAY 1 APRIL	Risk for the NFP Director	UBS Offices, Level 16 Chifley Tower, Sydney	Barry Rafe, AICD
WEDNESDAY 6 MAY	Ethics in Governance	UBS Offices, Level 16 Chifley Tower, Sydney	To be confirmed
WEDNESDAY 20 MAY	Ethics in Governance – Practical application	UBS Offices, Level 16 Chifley Tower, Sydney	To be confirmed
WEDNESDAY 19 AUGUST	Alumni Next Steps and Networking session	UBS Offices, Level 16 Chifley Tower, Sydney	To be confirmed
WEDNESDAY 25 NOVEMBER	End of Year Networking Event	UBS Offices, Level 16 Chifley Tower, Sydney	To be confirmed

THE COURSE FACILITATORS

The AICD is rigorous in the selection and management of facilitators, all of whom have formal qualifications and experience in the subject area, have undertaken corporate governance development, hold directorships or work closely with a variety of boards and are experienced facilitators. Facilitators are evaluated by participants at the end of each session.

BARRY RAPE – FAICD

Barry is an experienced financial services professional with experience as a director, CEO and consultant to significant financial services firms and superannuation funds.

Barry provides strategic business advice to financial services businesses and large superannuation funds on issues such as product development, long range business planning and board governance. He also presents on professionalism to new actuaries, financial planner groups and other professions.

Barry is a Fellow of the Actuaries Institute, a Fellow of the Australian Institute of Company Directors and has a Masters of Research in Philosophy from Macquarie University. Barry presents courses on board governance for the Australian Institute of Company Directors and has written their course on superannuation fund governance. Barry is currently a director of the Actuaries Institute, Greenpeace Australia Pacific and a small research startup business.

MELINDA MUTH – FAICD

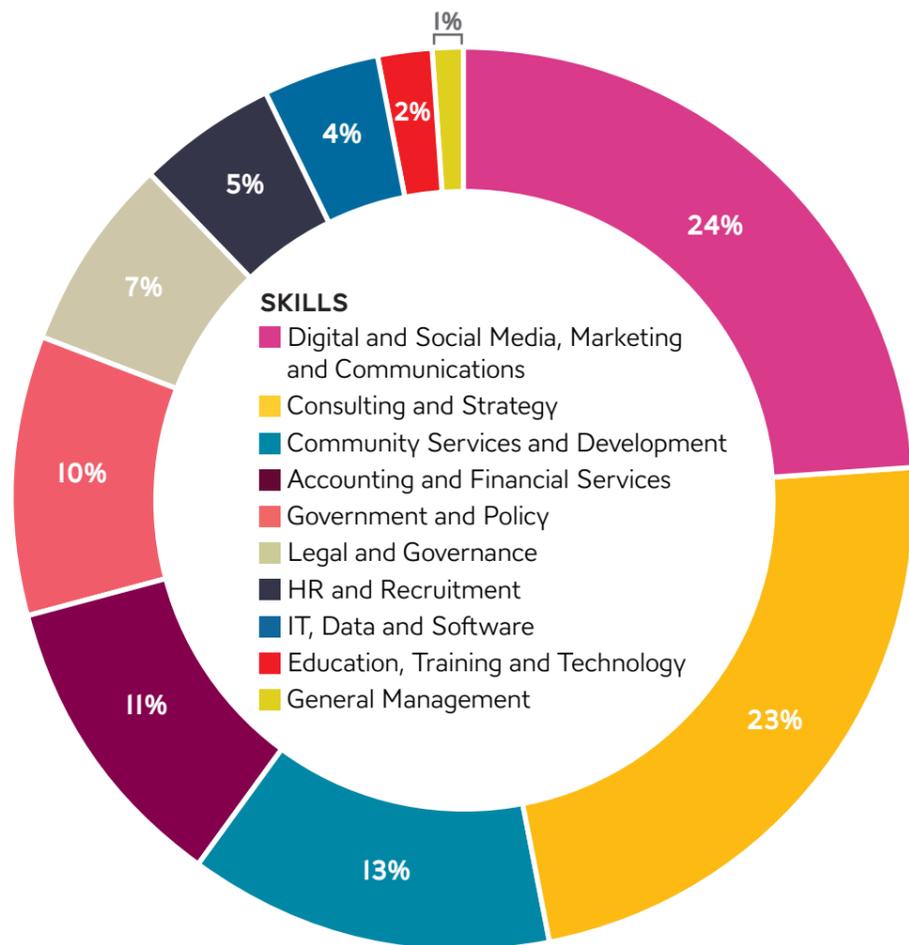
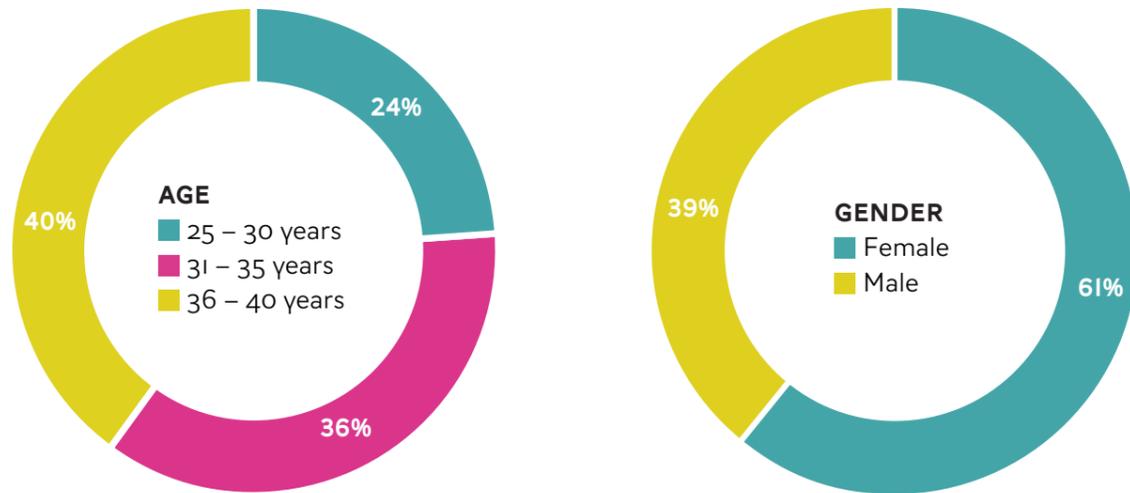
Melinda is an educator and consultant specialising in personal and team effectiveness, principally with senior executives and leadership teams. She is a facilitator and guest speaker in executive education programs in Australia and has worked in Asia and the USA. Melinda is a Director of the Institute of Food and Grocery Management, a Facilitator, Faculty Adviser, and Fellow of AICD, and a member of the adjunct faculty at UNSW.

Melinda's board experience includes roles as Chair of CuriousWorks, Director of HCA Philanthropy, and Director of PTTR (Paint the Town REaD). She has previously held director roles with HeartKids NSW, the Quest Foundation, the Union University & Schools Club, and Indigenous Community Volunteers where she was Chair of the Audit & Risk Management Committee. She is a member of the Academy of Management, the Australian Human Resource Institute, and the Harvard Club of Australia.



PROGRAM SNAPSHOT

THERE ARE 70 OBSERVERS PARTICIPATING IN THE PROGRAM. A BREAKDOWN OF THE PROFILE OF THE COHORT IS BELOW:



STRATEGIC PARTNERS

AUSTRALIAN INSTITUTE OF COMPANY DIRECTORS

JCA today tomorrow forever

philanthropy australia

THE ETHICS CENTRE

CORPORATE PARTNERS

ASX

BAIN & COMPANY

BCG THE BOSTON CONSULTING GROUP

GILBERT + TOBIN

MACQUARIE

McKinsey & Company

pwc

QANTAS Spirit of Australia

SCENTRE GROUP

ShineWing AUSTRALIA

UBS



PARTICIPATING BOARDS



LEGAL RESPONSIBILITY AS AN OBSERVER

Each organisation has been encouraged to review its Directors' and Offices' insurance, including potential coverage of you as an Observer.

The Program has sought legal advice on the potential liability associated with serving as an Observer and whether this role could be considered akin to the role of a Shadow Director under the Corporations Act 2001 (Cth) (the Act).

SHADOW DIRECTORS

In the ordinary course, a director is a person who has been formally appointed to act as a director of a company or a body. However, the definition of a director under the Act extends to a shadow director.

A person who is not validly appointed as a director will be a shadow director if they either act in the position of a director or if the directors are accustomed to act in accordance with that person's instructions or wishes. A person is not a shadow director merely because the directors act on advice given by the person in the proper performance of functions attaching to the person's professional capacity, or the person's business relationship with the directors or the company.

When determining whether a person is a shadow director, regard should be had to a variety of factors including whether:

- (a) there is a causal connection between the instruction or the wish of the person and the directors acting on it, though it is not sufficient if the act that was specified in the instruction is something the directors would do irrespective of the instruction;
- (b) there is "habitual compliance over a period of time"; and
- (c) the directors collectively are accustomed to act on the person's instructions or wishes.

ARE OBSERVERS SHADOW DIRECTORS?

In the course of the 12 month Observership Program, Observers are not appointed to act as directors of the companies or bodies that they are paired with.

Given that an Observer has no voting rights and only attends board or committee meetings to observe the workings of a Board as a learning experience, it is unlikely that an Observer will be found to be acting as a director of the partnership, company or body.

Additionally, the word accustomed implies that there must be a pattern of conforming to the wishes of the person, rather than a single instance.

Given that the extent of the Observer's relationship with the Board will be confined to a 12 month period, it would appear unlikely that the Observer would be able to exert a pattern of influence such that the directors who are formally appointed to the Board would be in the habit of complying with the wishes of the Observer. Accordingly, we have received legal advice stating that in the absence of any additional facts, an Observer would not be considered to be a shadow director and thereby exposed to any liability that follows from being a director under the Act.

