



Take on Board Podcast – Episode 350

# Transcript – AICD Australian Governance Summit 2026 Day 2 Recap with special correspondents

**Helga Svendsen:** Let's do day two. Okay, folks. Uh. As I said last week, this is the crowdsourced episode summarizing some of the key takeaways from the Australian Governance Summit 2026. today's episode is focusing on day two. If you haven't already listened to day one that was on last week, go have a listen and today we'll build on that.

So day two started with how boards and directors can harness the power of AI. Kate Waterford is our trustee correspondent for this one. So Kate, over to you again.

**Kate Waterford:** Hi, I'm Kate Waterford, back with another report from the AICD Annual Governance Summit. This time from a session on how boards and directors can harness the power of AI featuring Clara. She is an advisor and founder of Business AI at Meta, along with Kate Caruthers, AICD's head of data analytics and AI.

Clara's opening, framing, set the tone, the pace and breadth of change in AI technology is extraordinary, and perhaps most significantly for governance, AI is being democratized. This isn't a technology that sits with specialists anymore. It's available to everyone at all levels of your organisation, and that changes everything about how boards need to think about it.

She offered a useful framework for the risks, what she called the five Ds, data, security, disruption, discrimination, disinformation, and displacement worth reading more about what she's published on those and keeping them in mind as a board level checklist. On strategy, the message was clear. Success means rethinking every aspect of how your organisation operates.

Finance, marketing, legal, customer relationships, workforce patterns. Boards shouldn't be asking how do we add AI to what we already do. They should be asking, how is AI changing what we need to do and how fast do we need to move? There was some really useful guidance on figuring out things that don't work.

For example, delegating AI strategy to your existing tech team alone doesn't work. A purely top-down mandate without grassroots adoption doesn't work either. What will work is a virtuous cycle, leadership setting direction, or simultaneously empowering people at every level to experiment and build capability.

On the pitfalls, don't assume the large LLM language models alone will give us the right answer. Hallucinations, missing context, and safety issues are real. And don't build too rigidly. For today's models, it's better for companies to build a tech stack designed to keep evolving because the technology will keep changing faster than any fixed implementation can accommodate.

For smaller organisations, there was some reassurance. You don't need an army of engineers. Some studies suggest mid-market companies are actually adopting AI the fastest, precisely because fewer people are needed to drive change through. The key is finding a way to prioritize it, even when capacity is tight and putting the right checks and balances in place.

One governance point that really stood out. AI is non-deterministic, so the same prompt can produce different outputs on the same day. That's a fundamental challenge for boards seeking comfort in how recommendations are being generated. So the practical implication is that boards need to understand and think carefully about when they will need a deterministic, auditable answer versus language-based responses, and design their AI governance frameworks accordingly, with risk-based approaches tailored to the sensitivity of the data and decisions involved.

And the biggest blind spot in AI governance right now, go. Organisations have been focused heavily on data security, which does matter, but AI is potentially equally disruptive to every other aspect of business operations. Boards that treat AI governance as purely a security question are missing most of the picture.

Closing challenge was the one I'll take away. How do we weave AI into long-term strategy rather than staying stuck in short-term experimentation? That's a board conversation that needs to be happening everywhere now. Thank you Helga back to you.

**Helga Svendsen:** Thanks Kate for always providing such fabulous summaries for this episode. She's done it for a couple of years now, Kate and I really appreciate it.

Next up, we are hearing from me. We heard from Philip Chronican on Australia's economic position and global uncertainty. Philip is the chair of the national Australia Bank. Some of the themes from what he talked about was, some of the shifts, I guess, in context for organisations.

And here he referred to supply chain challenges, geopolitical risks and geopolitical changes, and. For Australia and for governance, he reflected that the challenge is that we need to be more agile and more adaptable to deal with some of these changing contexts. Secondly, he reminded us that Australia is a good place to do business.

We well capitalised, have a stable, have a stable and pragmatic government, and richly resourced with natural assets. Uh, that brings with it some strategic risks around sometimes a reliance on a narrower set of commodities. Uh, and our, our geography, I guess, means that China is important and China's economic settings are important, and that can bring increased uncertainty for us.

Our risk there in terms of these strategic risks is as an economy, as a country would be, and. Any organisation that you're governing might be around failing to diversify. He also referenced here. Social cohesion and rising inequality. And I thought this was a really interesting reflection, that social cohesion is one of Australia's greatest assets.

It makes us more resilient to shocks in geopolitical context or whatever it may be. And that in preserving or building our social cohesion, we need to think beyond a short term response and think about the long term value that social cohesion creates. Um. And builds for us in terms of our social license and building trust.

I thought that was a really interesting reflection and I think it's useful for all organisations to think about our collective role in building social co cohesion and, um, I guess, uh, guarding against rising inequality. Uh, he also referenced housing challenges and how affordable housing is a key constraint for labour market challenges, uh, and that it's incumbent on all of us to focus on housing as a priority for both government and for private sector organisations.

He reflected as the chair of nab, it is one of their priorities. So they were some of the key takeaways that I took from, uh, Philip's presentation. Uh. They were some of the, let me do that again without the rising inflection. So they were some of the key takeaways that I took from, uh, Philip Cronin's presentation, uh, at the summit.

Next up, we are hearing from Melinda Clarke. Melinda attended the boardroom hypotheticals, practicing decisions in real time. I, too had attended one of these, not the one Melinda attended, but the one the day before, and I thought it was a fantastic, no, let me say this afterwards. I too attended one of these, but a different one to Melinda on the day before.

So let's hear Melinda's reflections.

**Melinda Clarke:** My name is Melinda Clarke. I'm a director on the Board of Playgroup New South Wales. I'm reporting in relation to the boardroom hypothetical session on day two of the, um, Australian Governance Summit. So the boardroom hypothetical, um, is a session whereby the participants are provided with a case study.

The session was facilitated by David Shortland. Um. And you broke it into small groups on your tables to discuss the case study and, um, come to the conclusions about what actions you would take as the board. It's a really juicy case study, um, of an infrastructure company. There was all sorts of things going on.

There was a media leak. There was a alleged improper conduct in relation to the CEO, um, improper influence of the chair. There was alleged. Um, manipulation of culture metrics by the CEO. We had a nervous government client. Um, we've got the regulator announcing that they're about to come in and take some action, and we had a diving share price, so we had a crisis situation.

And then as the board, the task was to discuss what to do and come up with an action plan, um, in the immediate term. And ongoing. Um, I thought it was a fantastic forum for learning

and I was at a table with people from a range of different roles who were directors on different kinds of boards, who had a range of different experiences that I could learn from and we could all learn from each other.

And so it was really valuable for us to. Obviously we're pretending we're in a board meeting, but really valuable for us to, um, bring our own perspectives into what the considerations would be and what actions we would take. There were some groups around the, um, room who decided that they'd immediately tip out the chair, they'd tip out the CEO.

Um, not everybody did that. There wasn't time at the end to share, um, learnings around the room. Um, but even just within the. Within the table that I was on, it was a really great learning experience and it really exposed the complex and difficult decision making that can face boards, particularly in a crisis situation.

I gave positive feedback about the session, and I would really encourage AICD to use this, uh, mode of learning again.

**Helga Svendsen:** Thanks, Melinda. Great to hear your reflections. As I said at the top of this one, I attended the hypothetical session the day prior, and likewise, I think it was a really valuable, uh, addition to the summit. Maybe a little bit more time would be useful and maybe hearing at the end, uh, what some of the takeaways were would've been, would've added to that value.

But absolutely, I thought it was a valuable addition. Next up, Katie Constantinou is reflecting on the chair, CEO dynamic, how to build trust and deliver value. Over to you, Katie.

**Katie Constantinou.:** Hi, it's Katie Constantino reporting from day two of the AICDs Australian Governance Summit 2026. I'm a non-executive director on the boards of the BDCU group, Haron and the Southern Highland Symphony Orchestra. A Take on Board 2024 Accelerator program alone. One of today's standout conversations explored what many directors describe as the most important relationship in governance, the dynamic between the chair and the CEO in the session, the chair, CEO Dynamic, how to build trust and deliver value.

Panellists, Julie Cooper, Ian Hamm, and Natalie Walker, guided by facilitator Helen Dally, unpacked what makes this partnership effective and what can quietly undermine it. Three ideas really stood out. Firstly, trust starts with values alignment. The panel noted that strong chair CEO relationships aren't built on personality or friendship, but on shared purpose, the chair leads the board.

The CEO leads the organisation, but both need a common understanding of values and direction. When that alignment exists, difficult conversations become easier. Because decisions are anchored in principle rather than position. Secondly, clarity of roles protects the relationship. Great chairs govern they don't manage.

Effective chairs. Create space for CEOs to lead while maintaining accountability for long-term value. That means asking thoughtful questions rather than stepping into operations

and remembering the chair's role is to enable collective governance. Not act as a second, CEO. And thirdly, emotional intelligence and communication are critical.

The panel highlighted practical habits like regular check-ins, no surprises, and early conversations about expectations. Underpinning all of this is emotional intelligence. The ability to listen well, challenge constructively, and manage disagreement without damaging trust. Ego they noted is often the hidden risk in governance.

What came through clearly was that strong governance depends not just on structures and frameworks, but on the quality of the relationship between the chair and the CEO. The takeaway was simple. Effective governance doesn't require perfect agreement, but it does require a partnership strong enough to navigate complexity and change together.

**Helga Svendsen:** Thanks, Katie. I attended this session as well and thought it was excellent. Some of the takeaways were very valuable and I'll take some of them back to my board that I chair and the relationship I have with the CEO.

Next up Helen, who is reflecting on what investors want from boards. Helen, take it away.

**Helen Hu:** Hello, I'm Helen Hu, a non-executive director of St. John Ambulance, new South Wales and Energy and Water Ombudsman, new South Wales, where I chair the finance, audit and Investment Committee. At day two of a DSI attended a panel discussion on what investors want from boards. The session was moderated by Helen Darley with insights from Debbie Bakery, CEO of HESTA, Phillip Foo, vice President at Glass Lewis, and Tim King, CIO.

He had three takeaways that stood out for me as a director. First investor expectations have shifted significantly over the past decade. Investors today expect boards to address not only financial performance, but also governance quality and long-term sustainability risks, and increasing in remuneration strikes.

And direct votes against boards suggests that investors are becoming less patient when expectations are not met. Second, investor engagement has become more active and sophisticated. Large institutional investors, including Australian Super Funds, managing the retirement savings of millions of Australians are engaging more directly with boards.

Constructive dialogue between investors and companies is now an important part of governance maturity. Three boards must be prepared for emerging governance issues. Investors expect boards to address an increasingly complex range of risks, including cybersecurity, ai, supply chain resilience, and the global economic shocks.

The discussion reinforced that investors are looking for boards that demonstrate strong governance, long-term thinking, and the ability to navigate a rapidly changing risk environment. I.

**Helga Svendsen:** Alrighty. Thanks Helen, so much for providing those reflections. Next. No. Uh, next up is me. Uh, I attended the future of the care Sector session. What directors need to know. The panel at this session was Martin Laverty, the CEO of a rumour, Heather Watson, the Chair of Uniting Care Australia.

And Professor Deborah Brennan, a board member of Good, good Start Early Learning. So some initial reflections from the panel Deb reflected that there have been some big shifts in the way care is seen, I guess, in the Australian economy, and that it's now central to the economy and central to society and for her reflecting on things like early childhood.

That means, uh. We, there is an increased emphasis on looking at quality and also about shifting the dial of quality in particularly in relation to disadvantaged kids. Matt's uh, not Matt Martin's reflection, and this very much came through in very much he, everything he's said in terms of his participation on this panel.

How do we pay for it? How do we pay for the care sector? Who pays how much? And he framed this as that. It all sits in the delightful tension, beautiful way of framing it. Uh, Heather reflected, uh, about the director's role and the boards need to be both commercial and purpose driven. If they don't balance those things together, they will find challenges.

Uh, each of them gave some closing comments, which I thought was worth also reflecting on. Uh, Heather talked about, um, uh, how important it was for families and for communities and for societies, for the care sector to be strong, and that we all need to be working on a solution. Uh, Martin reflected that for him at the end of a challenging week.

He always likes to finish off going out to one of the services, and he just needs to observe and walk the hallways to see what is going on, to give him a bit of a energy boost, um, for the, the pretty challenging work that we all do. Um. Deb reflected on, again, that balance between having purpose-driven and commercial directors in the boardroom and that the boards that she's been involved in have those.

Those from the commercial sector are passionate and engaged. I. As the full purpose. People are also passionate, engaged. So just having that balance is really important. I really enjoyed this session. Um, there is so much more that was discussed than I've been able to reflect on here, but I thought it was a really great reflection about some of the challenges.

And I particularly liked Martin's focus around who's going to pay how much, and, um, who I thought that was a, as he said, a delightful tension. All right. Next up we are hearing from Jane Dayville, who will reflect on her takeaways from difficult conversations in the boardroom. Jane, over to you.

**Jane Davel:** Hello, Jane Davel here. I'm currently the chair of St. Andrews Village in the aged care sector of Rowing New Zealand, and I'm also a trustee of the New Zealand Rowing Foundation here in New Zealand. I attended the session, difficult Conversations in the Boardroom. That was a panel discussion led by Philippa McDonald.

The panellists were Gai McGrath. Who's an experienced ASX director? Robert Newman, an organisational psychologist and board coach, and Paul Zahra, the former CEO of David Jones, and again, an experienced board director.

The three key takeaways for me from the wonderful panel discussion were firstly that a board shouldn't need to have difficult conversations if difficult subject matters or topics are already included on the agenda.

Also, psychological safety in the boardroom is important. Chairs need to create an environment in which we can have constructive descent. Finally, watch out for an amygdala hijack where you have a fight or flight response to an emotive topic. It's important not to react immediately and have time to consider and respond.

Thank you.

**Helga Svendsen:** Thanks Jane, for those reflections and again, for, uh, coming to the conference, being part of the take on board, uh, WhatsApp group.

And, uh, great to meet you in person after seeing you down the, uh, the virtual lens a number of times. Uh, next up Karen Raitt, uh, talks about sports governance in the spotlight. Over to you, Karen

**Karen Raitt:** Kia Koto. I'm Karen Raitt from Wellington, New Zealand, and I'm currently on a sports board for a national sporting organisation, which is Rowing New Zealand. And I'm also an executive director on a national education board, and in my day job I work with proprietors of trust boards and I support them and advise them in their governance role in the integrated school sector in New Zealand.

I attended the sports governance session on the Tuesday afternoon, and the speakers at that session were David Gallup, Kate Jenkins, and Kate Palmer. And in terms of three takeaways, the first one was really around the principles of governance, and the panel discussed the fact that the principles of governance are the same.

Effective governance relies on relationships. Effective policy, uh, strategy and stewardship, and that there may be a difference between a high performance sport board or a professional sporting board or a community board, but those principles. Are the same. The panel also discussed that there needs to be a pathway for volunteers to see themselves reach those high performance or professional sport boards, and so there needs to be more reward and incentive in place and for volunteers to not just be told that they need to give their time for the love of the sport.

Another key takeaway was the discussion around integrity breaches and that this was a key risk. The panel discussed the integrity issues around child protection, wellbeing, transgender policies, and looking at the commercial and social impacts on the community of commercial sporting models. The panel also talked about the need for more funding, and noted that 95% of sporting organisations rely on government funding.

It was also noted that most sporting organisations are focused on the four year Olympic cycle and that all sports needed more money and are required to do more with less. It was noted that high performance sports get more funding, but it is also important to support the community because that is where the high performance athletes come from.

Sector-wide collaboration has been successful, but more needed to be done in this area. And lastly, the panel talked about the importance of professional development, and it was noted that in the sport ecosystem there is high quality resources. Uh, the sports Commission is committed to providing these.

Resources to sport boards, and they're very much focused on, uh, boards becoming more effective. In the past, boards have been run by players, and now there are more independent board members, but there needs to be a balance of grassroots community and independent board members.

**Helga Svendsen:** , And thank you, Karen, for making, for providing those reflections, uh, and great to meet you in person as well. Next up, we hear from Nicola Gibbs on reclaiming Australia's productivity edge. Nicola, take it away.

**Nicola Gibbs:** Hi, I am Nicola Gibbs and I'm on the Board of Local Leaders International. I attended the session on Reclaiming Australia's productivity edge, the board's role. It was moderated by Helen Dally, and on the panel was Angela Jackson, Tim Reed, and Mark Thewell. Three things stood out to me. The first was the link between productivity and business investment.

In particular, how Australia's risk appetite, or rather luck of it has meant that we're often very good at preventing bad outcomes, but that can sometimes make organisations slower to invest or move forward with new opportunities. The second takeaway was a practical governance one. If boards want to contribute meaningfully to productivity and strategy, then they need to make sure that the board time isn't consumed entirely by compliance and reporting.

So one suggestion was that we should be considering structuring our work through subcommittees that can help free up space so that precious board time can focus on bigger strategic questions. And the final takeaway for me was about the human impact. Um, when we talk about productivity often, uh, you see in these sessions that productivity is discussed in very abstract economic terms with, uh, quite a narrow definition of what constitutes value.

The reality is, is that productivity gains affect people. And really affect people. So on the macro level we can celebrate it, but on an individual level, uh, we were advised to not underestimate the individual impact that these structural changes will have.

**Helga Svendsen:** And thanks again, Nicola, for providing those reflections. Okay, folks, that concludes day two. Again, a thank you to our fearless correspondence. Ah, where's the start of day two? Ah, thanks again to our fearless correspondence. Kate Waterford, uh, Melinda Clark, Katie Constantino, Helen, who. Jane Dayville, Karen rate, and Nicola Gibbs awesome to meet you all at the conference.

Awesome. To have your contributions here as part of this. Thank you so much to all of the contributors, day one and day two and, um. That folks concludes our Australian Governance Summit 2026 episode. Uh, I hope you found it helpful and uh, see you next week for one of our more usual interview episodes.

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