Transcript – Get ready! Helga answers 54 Board Observership Questions

Hi, folks. This week on the Take on Board podcast, you are hearing another, well, ask me anything, really. So a few weeks ago, you heard me in conversation with Cathy Robinson from the Board Observership Program, Reena Rihan, an alumni of the Board Observership Program, and that fed into a Q&A session I did with the Board Observership participants, and they had so many awesome questions that we didn't get through them all in the 90 minutes session that we had. So today, Cathy is joining me again to ask me those questions. It might also be a good prompt to say I've just started a series on YouTube called Ask Me Anything, where I just give short, snappy responses to your governance questions. So if today I don't answer your governance question, if you've got something that's not covered today or in the previous episode, then send it in. Email me, put it in the comments, whatever it may be.

Whatever your favourite way of getting in touch is, get in touch, ask me the question, and at some stage I will cover it in that YouTube short series. Okay. Let's get on with the show. Today it's me and Cathy Robinson, loads of questions and answers, and we will see you next week with an interview. Ciao, folks. Hi, Helga. Welcome back to the Observership Program. Thank you. This is our third time. I know. Um, and- It's so much to say, it comes in three parts. It comes in three parts. Yes, I know. The purpose of this session is to follow up on our promise to observers, um, at the live session to have a shot at answering a lot of the unanswered questions, and there were, there were a lot of questions, 54 of them.

Um, we got through quite a few during the session, and what we've done for this session is- Not answered any of the questions that we think we answered in the main session, and rolled up, um, the other questions. We're not going to attempt to answer all 54 of them, but rolled up questions into kinda segments or categories, um, to have a shot at answering them. So, uh, hopefully everybody will get a little bit of information, um, that they were looking for when they, um, thought about the questions, um, and for them to reflect on. So, shall we just jump in and get started? I reckon let's dive on in- Okay, great ... thanks, Cathy. Okay, great. So the first question is, does holding a voluntary not-for-profit board position disadvantage you or mitigate against you getting a paid board position? Ooh. Either simultaneously or a bit later down the track. I would certainly hope not.

I think any paid board role that holds that against you is probably not an organisation you want to be involved in, quite frankly. Um, being on a board, no matter what that organisation is, whether it's a not-for-profit organisation, whether it's a government board, whether it's a for-profit organisation, you will learn governance, and you will learn all sorts of different things about governance, and that sort of experience of being in the boardroom, like the experience you get through the Board Observership Program, is priceless. So, uh, I think it can only advantage you. It can only teach you more about being in the boardroom. It can only... I know we've talked a lot about networks, both prior and in the session, and no doubt will today. It can only build your networks amongst directors.

So I think it's a fantastic way of building your governance capability, building your governance experience, and preparing yourself for potentially paid board roles. With the proviso, and I know we talked about this in the session, just be aware there's nowhere near as many paid board roles as there is unpaid board roles. So the fact that you've been on an unpaid board and potentially not getting bo- paid board roles is not necessarily because your experience in an unpaid board is not being valued. It might just be that the funnel has got too skinny. So to a different topic now, what's some advice to best continue to flex the skills that you learn as an observer in the program, particularly if you're not going to go straight onto a board? Love it. Okay.

So I think, I'm assuming and hoping that the skills that people are learning through the Observership Program, you know, building their governance muscle. So their strategic skills, their risk skills, their finance skills, all of those sorts of things from the governance and oversight level rather than the down in the weeds doing level. How can you continue that afterwards? Uh, it might be, uh, by... There might be opportunities through your day job, possibly, uh, to look at different budgets or risk models or governance models or strategy models or whatever it may be. So there may be the opportunity through your day job to do some of that. Um, I'm a real governance geek, so it might be looking at the annual reports of organisations and just seeing what you observe. If you can't get it through your day job, it might be doing those sorts of things.

It might be by talking to different board directors about what they're experiencing in the boardroom. It might be by doing additional study, uh, in any of these areas. Um, you know, I, I can't remember whether I've said it in any of these sessions, Cathy, but, uh, you know, I often say to people, "I'm a lawyer, not an accountant." But I did some extra studies around finances because I wanted to know that I had the skills for the boardroom, so I did a single unit on strategic financial analysis. So you might do some additional study as well. You might even join the committee of a board. So you might not be ready to join a board, but you might join the committee where you get to flex some of this governance muscle that you've built up. So those are the sorts of things that I can think of. I don't know, Cathy, you probably see this from observers too.

What have you seen observers do post the program? Well, I was going to say, Helga, lots of people think this is not governance, but if you're on the committee of your kid's local sporting organisation- Yes ... or if you're on the P&C for your kid's early learning centre or primary or secondary school, then that's a place that you can also flex the governance muscle. Um, you know, if you're on a fundraising committee, um, uh, for example, um, that's somewhere else where you can actually, um, do that. So don't think about that as not being governance, and don't think about it as not a, a, you know, as not a place where you can actually flex, flex this muscle, um, and get in a bit of practice, um, because you can Yep. Hear, hear. Okay, next question. Another s- another topic.

You've talked, Helga, about due diligence and the importance of doing your due diligence, that, you know, it's not just them du- doing due diligence on you, it's you doing it on the board as well before you join a board. But this question's about is there any different kind of due diligence that you need to do if it's a member-based board and if you're standing for election, and what under that banner, um, might constitute a red flag? Ooh, okay. So a couple of things there. I think if you are seeking election in a member-based organisation, you are presumably a member of that organisation. So that means you've got insight into that organisation that people from the outside might not get.

So use that insight, use what you know about that organisation as a member, access whatever, the strategy, the finances, whatever it may be, as a member, and that will help you determine and do your due diligence of that organisation. You'll also know, I don't know, how the board operates. So I'm not sure that the due diligence is any different in a member-based organisation versus any other organisation, except for you're probably a member and have those additional insights. And red flags, um, again, I'm not sure that they're any different. Uh, but if people are concerned, I guess, around, I don't know, that the, uh, that the member op- member organisation operates differently, like, it shouldn't.

I- I- if it's a member organisation as a professional organisation, you know, I don't know, the chartered accountants or whatever it may be, they're member-based organisations, um, yeah, I, I'm not sure that there's any additional red flags or any additional due diligence in particular that you'd need to look out for for membership organisations. I think their, their governance should be very similar to others. I think the only difference is you've probably got additional insights because you've been a member of that organisation. Do you think that's what they're after, Cathy, or do you think there might be something else going on there that I'm missing?

Um, I, I was wondering about, you know, um, campaigns to, um, get elected to the board and whether there were- Ah, yes ... potential conflicts and, um, issues around that, and voting blocks and, you know, because member organisations can become, um- True ... factionalized, segmented, um, and- So if that- You know, that might be something to take some care about Absolutely. And if that's the case, I think it's worth, I would hope that the organisation provides guidelines prior about what you can and can't do. I know, uh, I don't know when, at some stage over the last 10 years or so, I think I sought election to the council of a member organisation. Even as a candidate, I had no idea who the members of that organisation were, so I wasn't actually able to campaign because I didn't know who the members were.

So different or-- A- and that organisation said, "We will not provide you with a list of members, so you can't go out and campaign." So different organisations will have different rules around that, about whether you're able to know who the members are, whether you're able to contact the members of those organisations, whether you are able to campaign or not campaign. So I, I, I think first up I would be checking with the organisation what their rules are and arrangements around this, and also maybe just, heavy inverted commas on the just, the custom and practice of that organisation. If the custom and practice is that people don't campaign, even though for you, you might desperately want the board role, um, it may not necessarily play well for you to be the first that leads them into a full-on campaign to get elected to the board.

Um, so not saying you shouldn't do it, but give it full consideration about what are the risks, but also what might be some of the unintended consequences of doing that. One of the other things that occurs to me as I'm listening to you speak, Helga, is that better go to the AGM prepared to stand up and, um, in, in the context of your, you-- the point you always make about getting clarity around your board proposition, be prepared to stand up and talk at the AGM about who you are and why, why people should vote for you, why you want to join the board and why people should vote for you. Because if there's an election, then for the most part, I reckon the organisation is going to ask people who are standing for election to, um, say something about themselves. Absolutely. At least at some stage in the process. Like I, uh, am on the nominations committee for Greenpeace Australia Pacific.

Those board positions are elected by the members. The members are actually quite a small group. There's only about 100 members of Greenpeace, and it is elected. For the last, I don't know, five or six years, the, uh, general assembly, which is the members of Greenpeace, have followed the recommendations of the nominations committee, and the nominations committee has done the hard yards in terms of who is recommended for election. Now, that doesn't mean that the electorate, that is the general assembly, may not say, "Nomina-nominations committee, we think you've done a terrible job and we're not following your recommendations." They are elected, but it's not standing in a way- Like for many people, for many people, they will go through the process for Greenpeace, and it will just seem like you are appointed to the board, even though technically it's an election.

So again, there's many different ways these elections can be run. There's many different processes. It may be getting up at the AGM and saying, "Here's what I'm about," but it might not be either. So I think if you're already a member of that organisation, it is absolutely worth just, um, seeing what the customer process is, seeing what the rules are for that organisation, and then engaging in the process rather. Yeah. Because it, it might just look normal as in a nominations committee type process from the outside, even though it's technically an election. So the next question might be one for me, Helga, although I'm sure you'll have something to contribute, um, because it's asking how do you go about having a conversation with your host board, um, if you'd like to join the board of the organisation on whose board you've observed? And look, it does happen.

The first thing to think about is How's the quality of your obser- observership experience? Um, and to be really clear about what the benefits have been for you and also for the organisation. The first person to go and talk to is your board liaison, um, because they're the person, hopefully, with whom you've had the most contact, um, in, in terms of active engagement, um, uh, with the board throughout the year. Um, and if it's not the board liaison, then who is it? Think about who it is and go and have a conversation with that person. Um, and just be really clear. Um, "I'd love to join the board. I've had an amazing time. Um, you know, here's what I've learnt. Here's what I think I've contributed. Is this conversation worth pursuing?" You can frame it better than that, but, um, basically, is this conversation worth pursuing? Is there a place? Um, uh, and what would the next steps be?

But the bottom line is just, just be really clear. Um, don't wait to be asked and hope that somebody will see that you're champing at the bit to stay connected with the organisation and join the board. Talk to somebody, um, with whom you've built a relationship and make it clear to them. Helga- Yeah ... do you, have you got anything different or more that you want to say in relation to that? Uh, not different, but I would add one thing for observers that maybe have, have decided that they'd love to join the board of this organisation, they chat to their liaison. If for whatever reason there isn't a board role for you at the moment, don't think that that's because your contribution through the observership program hasn't been valuable or hasn't been right or whatever it may be. Boards are always looking for a match of skills, um, and it's the skills that they need at the time.

So for whatever reason it might be that they just don't need the skills that you've got as a board director at this time, and if that's the case, just ask if they can get in touch with you. You know, keep an eye out for when they might advertise in the future. Ask if they can keep you in mind for future roles, those sorts of things. But just don't take it too personally, I guess, if there's not a role for you at the moment, even though there might be a role for somebody else. It could just be the skills match. So don't be put off by that if for whatever reason there's not a board role immediately following the board observership process. Okay, great. Thank you. Um, we have talked a bit, well, more than a bit. We've talked quite a lot.

You've talked quite a lot, and you've had some really helpful things to say about ways in which you can frame your observership experience as part of your pitch to join a board. This question is asking, how do you frame the- Uh, an observership with a smaller organisation into a credible case for joining the board of a much larger organisation? Right. I think governance skills are governance skills are governance skills. And if you are governing a small organisation, then, uh, those skills of oversight of the finances, oversight of compliance, uh, risk oversight, uh, strategic direction, all of those things are the same in a larger organisation. Um, the thing I'm about to say, accountants might cringe, but I've been told this by accountants.

The other-- The thing about often the size, at least financially, of organisations, as I've heard accountants say, "They're just zeros." So if you're just adding a few zeros, um, they're just zeros, right? But the principles are the same. The principles about whether it's the financial health of the organisation or the strategic health of the organisation or the cultural health of the organisation, those principles are the same, whether it's a little organisation or a large organisation. I will say in very, very, very tiny organisations where there's no staff or very, very few staff, only one or two staff, that might be a little bit different than a larger organisation that has a full staff team that can support the board.

Uh, but if, if-- even if it's a small staff team, you know, the governance principles are likely the same, and I think you can frame that around, "I've had this experience in a small organisation. These are the governance lessons that I have learned, and I am keen to, uh, explore the application of those governance lessons in a larger organisation." I think that's totally fine to do. And again, just remember, as observers, you have had 12 months of experience in an organisation. If you compare it to other people seeking their first board role who have got not that much experience, you're already one step ahead. So, um, just tell them what you've got, what your skills are, how you'd like to use them, the governance lessons that you've learned, and, um, you know, let them know why it is you'd like to use them in a larger organisation. Okay, great. Thank you.

So the next question is about authority bias. Um, how do you navigate authority bias so that lived experience and constructive challenge are seen as governance judgment, not inexperience without technical, um, skills and experience? Oh, okay. There's a lot going on in there. Let me try and pull it apart. So, so I'm hearing a couple of different things in there. One, I think is around how we value lived experience in the boardroom. Yeah. I think there is one, and then I think there's another element to it. And how much authority, how, and how mu- how much authority that lived experience, um, carries, particularly if you don't have technical skills. Yes. Well, I'm not a lived experience expert, so if what I'm about to say is completely wrong, lived experience people come and tell me it's wrong. But I would say lived experience in the boardroom is a technical skill in a way.

It is part of the... I mean, I would hope that in organisations, uh, that are in the, you know, for example, hospitals and healthcare services in, uh, in Victoria at least, have as part of the skills matrix, um, patient experience and consumer engagement. That is essentially lived experience and consumer engagement. Now, that is not seen as the what is your one individual person's experience, but it's, it's the ability to, um- draw the insight of the patient experience, I guess, and that's how I see lived experience, whether it's in a disability organisation, in aged care. Often it is in the service organisations, but it doesn't have to be in just those personal care organisations. So first up, like I say, I see lived experience, lived and living experience as a skill that is quite often on the skills matrix alongside, you know, financial skills and strategic skills and so on.

Um, in which case, if that is the insight that you are bringing to the boardroom, then that should be valued equally to the other skills. And if for whatever reason it's not, I then wonder, depends on who the chair is, depends on what the makeup of the board is, but whether a quiet conversation with the board chair is worthwhile around, "This is the insight that I'm bringing to the boardroom. I feel like it's not as highly valued as this experience. I wonder if you can share your observations with me and how we might be able to mix it up a bit." Something along those lines. If it is the chair that's not valuing it, well then I think we had the conversation last time about how you might be able to positively influence that in, in different ways. Do you think that answers the question, Cathy? Yeah. Is that what they were aiming for? No. Yeah. Uh, uh, yeah. I think so.

I mean, I, I, I think, I think it very much goes to the question of, well, you know, traditional technical governance skills are seen as law, finance, you know. Um, and, uh, if, if we're in a conversation which is about diversifying, um, who sits around the table and what they bring with them, um, how do we actually really value that, um, rather than it just being an exercise in appearances- Yes um, and therefore devaluing a certain set- Yes ... of skills and experience in favour of still, so you don't change anything. Um- Totally. Totally. And look, will there be organisations that pay lip service to it? Yeah, there will. See if you can help them. Often they don't realize it. Often it is, I think there was a, at the start there was a, you know, authority bias.

Sometimes bias is completely unconscious and unintended, and you can help to shine a light on that and hopefully make some constructive change. So I think if those are the things that you're observing in the boardroom, yeah, see if you can, if it's through the observership, maybe work with your liaison person, work with the program people, uh, work with the board chair to see if you can make some positive change. Um, whether it's your board observership experience or boardroom experience. And if after giving it a red hot go of trying to make constructive change you can't, go and find a board that will value you. Okay. Thank you. So Helga, what's next? How do I map out a 10-year plan for my board- Ooh ... for my board career? Ooh, a 10-year plan for the board career. Um, so I- Did you have a 10-year plan for your board career? No. I, I am a bit more, I'm not so much a 10-year plan person.

I'm a bit more, um, ooh, what's next? What's next? So I, so my-- Again, depending on how you count it, my first board role was the YWCA, and I did that because I wanted to maintain a connection to the community sector. So got that board role, great, learnt an enormous amount, enjoyed my time there and learnt a lot. We had a six-year maximum, so as we were coming to the end of my term, I started looking for my next board role. It took me two years to find my next board role, so it can take time, folks, and don't be disheartened by that. Uh, and so then I found my next board role, and again, there was a maximum term there, so as I was coming towards the end of that term, I started looking again for my next board role. I'm not sure I have a 10-year plan. If you're, if folks listening or watching are the 10-year plan type people, go for gold.

Uh, but also if it's just, "just," inverted commas, opportunistic and/or what's next, I think that is okay. I, I think what's most important is working out, and I talked about this in the last one, working out what is the value you can give to a board, and that is both your technical skills and the attributes that you've got, and what is the value you are hoping to get from that? What are you wanting to learn? What are you wanting to take away from that? So I think that's the most important thing to work out, and then that will help to guide you in your board journey about what's the next board and what's the next one after that, and how much you want to build it. If you're looking at taking on more than one board role at a time, in fact, even if it is just one board role, just make sure you have the time, 'cause the most important thing is doing the job well.

And we know, or my rule of thumb is, that it's about 15 hours a month. That's about a half a day a week. So if it's more than one board role, that's a day a week. Do you have the time and the capacity to do that properly? I think, yeah, ensuring that you only take on as much as you can do at any given time is also key for that long-term development of your board career as well. I s- it seems to me, too, that this is another place where your board proposition piece comes in, because that sounds to me like the foundation document, if you will. You know, what is your board proposition? And, um, uh, having got that, having got that really clear in your own mind, then it frames everything that you have just said.

And it also seems to me that your board proposition's gotta be a living, breathing piece- Definitely ... that you need to revisit it on a relatively regular basis to see whether, to see what's changed, um, in, uh, in who you think you are as a board director, and therefore, what direction do you want to pursue Absolutely. Could not agree more. I think that's right. How do you turn constructive challenge or respectful curiosity into a recognised boardroom ca- capability so that you're not simply seen as the person who asks the difficult questions? Ooh, gosh. Well, I would hope there's a room full of people wanting to ask the difficult questions in a boardroom.

I had a conversation just this morning with somebody about their board, and she was saying it is that beautiful mix of people who are prepared to ask the hard questions and work in a collegial manner together, and I think that is the art of a good board collectively. I think if you're feeling like you're the only one in the boardroom who is asking the, the hard questions, I'm not sure that that board is operating as healthily as it could be. And again, I wonder whether that's a conversation with the board chair. "Hey, Chair, I've noticed that I'm asking a lot of these questions. I feel like-- Sometimes I feel like I'm the only one asking the hard questions.

I wonder if you've noticed it, too, and I wonder, you know, is... what's going on there or if something else is going on and how we might encourage that more." Because all of the board should y- Every board member doesn't have to ask hard questions at every item on the agenda because board meetings would then, quite frankly, be 24 hours long for everything. But there certainly seems to be-- Sorry, there certainly should be all board members' voices heard and all board members asking, you know, tricky, robust questions at some stage. And if they're not, and that's your observation, I would follow it up with somebody else on the board. You shouldn't be the only squeaky wheel, and it shouldn't be seen as the squeaky wheel. Um, asking questions is a key skill for board directors, and everybody should be doing it, um, at least sometimes in the board meeting.

So yeah, I, I would follow up a bit more with somebody else, maybe your board buddy, maybe if it's board observership-wise, your board liaison, if it's a board that you're on, the board chair or maybe somebody else in the boardroom that you trust. Look, I think we've in part covered this before, but this question is coming at the topic i- from a slightly different direction. And the questioner is asking how to upskill for context switching and ensure that you have sufficient knowledge when you're starting on a board that is operating outside your area of expertise and knowledge. Right. Okay. So is that-- So I think what I'm hearing there is-- Well, let me give my example. So I was previously on the board of the Royal Women's Hospital here in Victoria. I am not from the health sector. Is that the kind of thing that we're asking? Mm. You've joined a board? Yeah. Okay. Yeah, yeah, yeah.

So- And when you're a new person and you're starting on the board and there's all of that stuff about integrating yourself into an already existing team- Yes ... um, with the added disadvantage of not being the expert Or advantage, I would say. Maybe I'm Pollyanna, I don't know Yeah. Yeah, well. So for example, when I joined the board of the Royal Women's Hospital, a couple of things. One, when you join a new board, even if you're from the sector, there is a stack of work that you need to do to get across the operation of that organisation. You will need to be looking at their strategy, their finance, talking to all of the key people, all of the stuff that you would expect to do during an induction process. So that is the common garden variety stuff of joining a new board.

If it's a board in a new sector, then you need to spend even more time getting your head around, oh my God, the acronyms. I'm again thinking about when I joined a health sector board and all of the acronyms that are involved in that. It was a multi-page document just on acronyms. Um, and I had to spend extra time, uh, and I had to spend time asking a whole bunch of stupid questions about, "Oh, what's that? And how does this funding model work?" And all of those sorts of things. I did my best to learn a lot of that outside the boardroom, because I don't think it's fair to hold the board up to learn the things that almost everybody else in the boardroom already knows. I think you need to learn it, but not in the boardroom.

Having said that, I think part of the value that I added to that board was that I was not from the sector, so I could sometimes, and this is appropriate in the boardroom to say, "Oh, that's interesting that you do it this way in health, because over there in this different sector, it's done in this way, and I'm wondering if there's anything we can learn from that." So not having sector experience can be of value to that board because you don't know it, and sometimes you will ask the inverted commas stupid questions, um, and just get people to open up about why things are done that way. And sometimes they'll go, "Oh God, yeah, I don't know why we do it that way. Maybe we could do it differently." So yeah, it'll take time. It'll take extra time, but sometimes fishing through that and learning about it is of value both to you but also to the organisation.

And so in that context, Helga, um- As a director who's not from the industry sector or segment of society that, um, uh, you're sitting on the board that, uh, and it's the, the area that the board operates in, how much time do you take, um, invest in getting up to speed with industry developments, with developments in that sector, um, and if it's a government, um, uh, appointed board in that portfolio? How important is that? Well, look, it's... I mean, if you are going to discharge your duties, if you are going to be able to exercise care and diligence, uh, uh, then you kinda need to know a bit about the way the sector operates. And some of that will be delivered to you in your induction, um, and some of it you will need to do extra and of itself, because not all b- board members will be from outside that particular sector. How long is that?

Well, it depe- is, how long is a piece of string? I would just say that you need-- It will grow over time. It's not like on day one of your board directorship you need to know everything there is to know about that sector and, you know, the clients and the funding models and the, all of those, the policy implications. I don't think you need to know absolutely everything on day one because let's face it, who does know everything on day one? But you do need to know enough that you can meaningfully engage in the conversations. And I would say probably for the first year of your board directorship, you're probably doing extra stuff around learning the sector, learning that organisation and learning the sector. Most observers have got day jobs, um, and quite a few of them work for the government. So how do you manage conflicts of interest between whatever your day job is and as a director?

Um, outside of the, you know, the audit requirements for related party- Yeah, totally ... reporting related party transactions and that kind of stuff. Um, because there are those kinds of conflicts of interest, and then there's the- Yes ... then there's the less easily discernible ones. Absolutely. So, um, so first up, if you've got a day job, um, and you're applying for a board role, I would definitely be talking to your leadership people early rather than later to make sure it's okay. Because sometimes you will be conflicted out of particular roles, and you don't want to go through the process of recruitment and only to be told that you can't take a board role. That's just a waste of your time, it's a waste of their time, it's a waste of everyone's time. So I think having early conversations is, is a good thing to do with your day job people.

Um, in terms of interests more broadly, I just think, um, declare all of your interests to both sides, as in to your day job people and to your board people. Here are all the interests that I have. Um, I think I said this in the last one, but maybe I didn't. It is not for you as an individual to determine whether there is a conflict of interest. It is your responsibility to declare your interests, and then the board as a whole, or your manager, determines whether there is a conflict or has a con- conversation with you about whether there is a conflict, and then the board as a whole determines how they manage that conflict. So you just need to declare your interests, and then the board will, um, work the rest of it out with you, but they'll work that out.

Openness and transparency, as much as possible, helps to avoid-- It doesn't help to avoid conflicts of interest, but it ensures that they are uncovered early and then dealt with early and transparently. This observer is keen to have your view of, um, a particular situation, which is that their board is considering making AICD training mandatory, um, for all directors who are members of the board. Um, what do you reckon about that? Are they going to pay for it? Is my first question. Uh, which you probably don't know the answer to- Yeah, I don't know the answer to that question. ... 'cause you've just got it sitting in front of you. I mean, I think if, if, if any organisation is going to make any training mandatory, whatever that training is, whether it's governance training, whether it's clinical governance training, whether it's financial training, whatever.

If it's mandatory, then I think the organisation needs to fund that training. I think what the board needs to work out is what are the competencies that are needed in the boardroom, and how can people get those competencies? Because just having done, whether it's the company directors course or some other form of training, doesn't necessarily tell you that that person is competent in it. It just tells you that they've done the training. So I- I- I reckon Yeah. Ticking a box about somebody's qualifications isn't necessarily going to be the best way to assess somebody's competency and capability for a role, and I think the board would be better served to really identify what that competency and capability is, and then have a conversation about how that can be, um, illustrated by individual board members.

Because it might be through experience, it might be through other training, it might be through a whole range of things. So last question, Helga. There's an observer whose board uses advisors, um, both at committee level and at board level, um, to address a range of issues and obviously, as the name implies, to provide ad- advice. Can you reflect on your views about, you know, what's good governance practice in terms of advice? And also reflect on what the consequences of taking unexamined advice into the decision-making process, because there is a director liability question in there- Totally ... as well. I'm not sure- Totally ... the observer was asking that question, but- Yes I am. Um. That's totally where I was going to go. So look, having advisors is totally fine, right? There is a lot that board directors need to be across.

Everything from child safe workplaces to technology and privacy and, uh, industrial relations and em- There, there is a lot of things that board directors need to be across, so having advisors, no problem whatsoever. However, you cannot say as a board director, "Our advisors told us to do this, so we did it." You need to turn your mind to it. You need to turn your mind to the advice and make your own decision about whether you think that that advice is appropriate in the circumstances. There is a legal case about this. Our friend Centro. Centro must be about 10 years ago now, where, I mean, you know, it was extraordinarily com- um, complicated, so I'm sure I'm not going to... I, I'm definitely not going to sum it up here. But in, it, part of it, in essence, was, uh, I think it was the auditors actually gave advice about something. Um, and the board went, "Great.

The auditors have given us this advice. We take it. Excellent. Let's move on. Thanks very much." Now, the advice wasn't correct in the circumstances because there were some particular circumstances that meant that that didn't apply there, and the board of directors had not turned their mind to that. They need to turn their mind. They cannot just say, "The auditors told us this, the tech advisor told us that," whatever it may be. You need to turn your mind to it. You are responsible for exercising your due care, um, for exercising, yeah, due care and diligence. So you can't outsource that to somebody else. You need to do it yourself, even though you can- Have advisors assist you in that. It is still your responsibility. And in that context, um, I saw something recently around, um, AI and, um, advice to boards in the context of AI.

And the question that was asked was whether the boards were actually, um, receiving any other advice about that aspect of AI that they were looking at beyond the company that was promoting its, um, pitch. So had there been, beyond what the company said the capabilities were, the support was, the outcomes they could expect, had there been any conversation or any interrogation beyond just that company pitch, um- I see, yes ... uh, contributing to the board's decision-making process? Um, because apparently there's a bit of research around and a bit of data that says that lot... I don't, I, I, numbers I don't know, but, um, that too many boards, um, are actually making decisions around AI with nothing more than the company pitch. Hmm. Interesting. Yeah. So, oh God, that's even, that's even more dangerous 'cause it's basically a sales pitch. So- Yeah, that's right.

Yep ... if you're swallowing the sales pitch hook, line, and sinker, uh, you know, you kind of... Maybe that's where you've got some advisors involved as well, but even the advisors, you cannot just rely on it. You definitely shouldn't just be relying on a sales pitch. Uh, you might have some advisors that support your thinking in it, but at the end of the day, it is the board's thinking around it, not the advisor's thinking and not, definitely not the people who are pitching to you's thinking, even though that might be part of what feeds in. Interesting. If you find that, send it through, Cathy. I'll be interested to see it. Yep. Okay. Great. Helga, thank you so much. You've been so generous with your experience and with your time. Uh, I'm sure observers appreciate your generosity even more than, um, I do. Um, it's, it's always a pleasure to work with you.

Um, thank you very much for taking the time for this follow-up piece. And so now there's a, um, a what do you call it? There are three. There are, there are three recordings. That's right. There's, um, the pre-session, there's the session recording, and there's this, there's this session. So quite a lot of, um, resources there for observers to, um, explore in your own time. So thank you very much. Absolute pleasure, Cathy. Always happy to help out the observership program. So yeah, pleasure to be here.

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