

Cr Laura Binks - Written Report to Council on my participation in the Australian Institute of Company Directors (AICD) Company Director's Course, September – March 2023



Having been successful in gaining a semi-funded position from Rural Councils Victoria to participate in the AICD Company Director's Course, I found the course equally challenging and incredibly rewarding. Whilst the course is designed for Company Directors, the learnings are transferable to the role of councillor given the way the Local Government sector is structured. Councils are designed to operate like boards of directors overseeing a company. The Council is in effect a board of directors overseeing the shire organisation.

My top learnings from the five-day AICD Company Director's Course were:

The Director Mindset

Cultivating the Directors Mindset requires adjusting from an orientation of action to one of influencing, guiding, and mentoring. This shift is one of the biggest challenges for directors and councillors to achieve and is a learned skill. Rather than thinking 'what action do I need to take to fix this problem', directors must develop the capacity to zoom out to the big picture, policy and strategy lens, learning to think 'what policy can we adopt to address this area of the business' and 'what strategies are needed to ensure the organisation is achieving its goals, purpose and vision?'. There is a need to change from action and problem solving, to take on a helicopter view of the organisation, getting out of the day to day running of the organisation and shifting to a board view to understand how all the pieces fit together.

Directors are individually accountable, but collectively responsible for board decisions. Understanding the dynamics of collective decision making is essential, and decision making is at the heart of good governance.

Self-knowledge is fundamental and Directors/Councillors must have a willingness to be open, develop awareness of one's behaviour in a group, and make a commitment to effective group processes. Being able to recognise our own limits of knowledge is also crucial to the role.

It is important to remember that we are one step removed from the operational side of the organisation, which allows a less emotionally involved reflective choice to be arrived at.

Boards and Councils are ultimately in charge of the organisations governance, making accountability and oversight the core of our workings.

Governance ensures the business has a future-facing strategic plan. The Board/Council set the strategic plan, which becomes the work the of executive team to implement into the day-to-day operations.

Both roles of Board/Council and Organisation are vital and complementary to one another.

It is important for Directors/Councillors to ask questions about decisions being made, rather than giving someone directions on how we would do the job if we worked in the organisation. This is not easy! It takes learning, guidance, and practice to develop and if the Director/Councillor is also working in another job, it requires a gear shift into the responsibility for governance, thinking of the whole organisation with the lens of long-term foresight applied.

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It is important for Boards/Councils to cultivate and support a collegiate environment. They are not spaces for a top down demanding approach of decision making, as there is a need for collaboration and delegation and to know that we can contribute but might not get our way every time. Being able to listen to other contributions and compromise is essential to the success of a highly functioning Board/Council.

It is important to reflect, if we ask for any more information, is it actually going to influence our decision any further? We want to ensure that we are not delaying things for the sake of delay or because delay is an easier way of saying no.

In decision making, consider all alternatives including doing nothing, which may be the best option in the circumstances.

Guardians of Purpose

It is important to remember that we are here for a limited period of time, acting like guardians ensuring that the purpose of the organisation is maintained and, ultimately, leaving it in a better way than where it was when we came on board. There will be decisions, policies, and strategies developed by those who came before us, which we can not always change and at times it is essential that we continue to ensure these decisions, policies and strategies are upheld, completed and continued.

We are guardians of purpose for a period of time in the whole life of the organisation.

Ensuring that we are aligned with the organisation's core values, and purpose is essential to having a successful time on the Board/Council of the organisation.

Governance and Culture

Governance includes:

- decision making
- an understanding and acceptance of the legislation that impacts the board/council and organisation.
- a knowledge of the legal environment and laws which govern the board/council and organisation.
- ability to understand risk and how to manage risks.
- strategic thinking and planning skills
- financial literacy
- creating effective board/council culture

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Boards are focused on:

- Oversight
- Hindsight
- Insight
- Foresight

The first two, oversight and hindsight, are about reflecting on the past and what has been learned. The second two, insight and foresight, look to the future and the strategy needed to prepare the organisation to be in a better position.

Generic skills that are necessary for every board/council:

- Governance
- Legal competency/expertise
- Financial literacy/expertise
- Communication skills
- Integrity
- Curiosity and inquisitiveness
- Alignment of purpose
- Understanding that we are there as a board member/councillor, not a worker in the organisation.
- Ability to display the cultural expectations of the organisation.
- Know the responsibilities we are taking on and the liabilities that come with it.

Regardless of who we represent, our duty is to the board/council we are appointed to. We need to make decisions in the best interest of the whole municipality and the organisation. Not wards, 'my people', the people we represent, etc.

The Board/Council appoints a CEO to manage the organisation and implement the day-to-day plans to achieve the strategic plan developed by the Board/Council.

It is important to understand part of our job is to help the CEO to be successful in achieving the strategic plan.

The Board/Council must manage the tension of having the CEO meet their KPIs whilst having them be successful in implementing and achieving the strategic plan. Understanding how to achieve this balance is crucial to the success of the Board/Council and the organisation.

The 'Hold them to account' model can be dysfunctional, with the CEO becoming amour wearing and defensive.

The 'Support the CEO' model can be dysfunctional if it ends up being all praise for the CEO and no questions or curiosity from the Board/Council.

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It is beneficial to create a set of Rules of Engagement for the Board/Council.

Rules of Engagement let the CEO know that they can absolutely rely on us to do this, and if we don't, they can hold us to account.

Rules of Engagement could include:

- We will turn up to the meetings well prepared, having read the papers and ready to contribute positively to the discussions.
- We will know our policies and adhere to them.
- We will uphold the practice of good governance.
- We will display the cultural expectations of the organisation.
- We will ensure a safe and respectful workplace.

Board Members/Councillors receive information, ask questions, and make decisions.

Developing an enquiring mind and learning how do we ask questions that are issues based, not personal based is critical to the success of the Board/Council and CEO/Executive dynamic.

It is far more effect to enquire what an alternative may be than to attack the idea being proposed by the organisation.

The Board/Council is 100% accountable the culture of the organisation.

Reflection

I am grateful I had the opportunity to participate in the AICD Company Directors Course and believe that the skills and lessons I have learnt will be of immense value to Strathbogie Shire Council.

Becoming a councillor was not something I had seriously considered prior to participating in the Fairley Leadership Program in 2020. When I was elected, I knew little of governance and the skills needed to be an effective leader in this space. I have taken on numerous learning opportunities since our compulsory induction and found the AICD Company Directors Course to be of the highest value in terms of gaining a greater understanding, deeper knowledge, and increased confidence in how I can perform my role and meet the expectations of the sector, my fellow councillor colleagues, the CEO, organisation and staff, and the community.

I believe that actively participating in a version of the Company Directors Course, or the Foundations in Directorship Course, would be a great benefit to all councillors and would make for a more effective, productive, and successful local government sector.

Signature



Councillor Laura Binks (Mayor)