

(continued from front page)

satisfaction passing on some of these experiences and providing some mentoring and personal guidance to people that I have met and worked with.

ORACLE: How can an independent director help the corporation avoid unpleasant surprises?

LF All boards need to assess what skills they have available to them in the boardroom and independent directors are one source of skills. Independent directors bring experience of business operations from larger businesses or bring an area of expertise that the member directors may not have. Independent directors may also bring experience in board matters, decision-making, government liaison or other governance skills. Independent directors may also be able to provide some insight into views outside the community and be a fresh set of eyes on issues of concern. Some independent directors will have significant experience in dealing with financial, compliance or legal issues and those skills can help recognise early warning signs of issues that may be evolving.

KA An independent director can provide an unbiased, objective viewpoint. One of the skills which I believe I have as an independent director is an ability to quickly analyse and comprehend different types of information and to be able to 'ask the right questions' and provide

relevant guidance. This is particularly important in the areas of governance and financial management. Staff in an organisation are very busy and sometimes it is the 'little' things that are forgotten.

ORACLE: What do you see as the main challenges and rewards for an independent director?

LF Understanding the complex relationships and the cultural overlay of all decisions is probably the most challenging aspect of the role in a CATSI-regulated entity. Developing trusting relationships with people from very different backgrounds and that have very different life experiences has also been a challenge for me, particularly working in remote locations with communities experiencing a variety of disadvantages. But, the opportunity to learn more about Indigenous culture and the challenges faced by Aboriginal and Torres Strait Islander people in Australia has been very rewarding.

KA I think the main challenges are having the time to be involved; keeping the interest and passion going, especially when the going gets tough; and being able to contribute without overly imposing your own viewpoint. The sense that you have

A corporation's rule book should specify the corporation's rules concerning the appointment of independent directors, the term of appointment, right to attend and vote at directors' meetings, and independent directors' fees.

been able to contribute to the success and growth of the organisation, its people, and its key stakeholders is a great reward.

ORACLE: What are the benefits for an Aboriginal or Torres Strait Islander corporation to appoint an independent director?

LF A good independent director will bring an in-depth understanding of auditing processes/accounting to a corporation. They will also have experience of other industries, locations and funding bodies. They ideally bring a strong experience in board practices and potential initiatives to improve governance. And of course, access to networks and contacts beyond those of the member directors.

KA Many Aboriginal and Torres Strait Islander corporations have limited funding and facilities. They have great people working towards advancement of their people and have great internal passion and drive. They may not always have adequate commercial and governance expertise in the organisation and because funding is tight they may not be able to procure that. Having access to someone with particular skills in an area and the passion to go with it, can have enormous benefits.



Australian Government
Office of the Registrar of Indigenous Corporations

ORIC Oracle

Independent directors

August 2014

The Registrar of Indigenous Corporations strongly supports the appointment of independent directors on Aboriginal and Torres Strait Islander corporation boards—particularly for large or medium corporations with a broad range of functions and a high income and asset base.

An independent director is a person with particular expertise or specialist knowledge who is not a member or an employee of the corporation and does not receive services or provide paid services to a corporation. The common misconception is that an independent director must be a non-Indigenous person. This is not so. There are many experienced Aboriginal and Torres Strait Islander people that fulfil the role of an independent director.



Talking heads

Interviews with Leah Fricke and Kevin Antonovich



Leah Fricke has acted in the role of independent director on various boards. She recently finished up at Laynhapuy Homelands Aboriginal Corporation (LHAC). LHAC provides essential services to almost 1500 Yolngu people in 25 homelands and outstations across north-east Arnhem Land. This large and iconic corporation is based in Yirrkala, near Nhulunbuy in the Northern Territory.

ORACLE: What is your professional background?

LF I am a non-executive director and have worked as a lawyer/company secretary in both private and public companies including a number of listed companies. Boards I have previously been on include an Aboriginal medical service and an Aboriginal organisation that provides community development and training services (based in Arnhem Land, Northern Territory). I bring over 20 years of experience and more than 10 years in management roles working in a range of industries at all stages of development and maturity.

Australia. That influenced my decision to put my name forward for a directorship position with an Aboriginal organisation. That is how my involvement with Umpi Korumba started. In 2013 I left Wesfarmers and am now semi-retired.

ORACLE: What aspect of your previous experience have you found particularly useful as an independent director?

LF I have served in various positions on a large number of boards and I have been on not-for-profit (NFP) boards since the early 90s. My experience in board rooms and my legal and financial qualifications have all been essential to ensure that I am both technically competent as an independent director and understand the dynamics of collaborative decision-making. After 20 years of being in boardrooms I have a lot of experiences to draw on when challenging issues arise.



Kevin Antonovich is an independent director at Umpi Korumba Aboriginal and Torres Strait Islanders Corporation for Housing. The corporation is located in Zillmere, a northern suburb of Brisbane. It owns 40 residential properties across the city and helps Aboriginal and Torres Strait Islander people with long-term emergency housing and also to transition to the private rental market or home ownership. Umpi is a medium-sized corporation.

KA I am an accountant by profession. I've spent 25 years of my working life in the mining industry with the Wesfarmers Group, primarily in their resources and energy divisions. My primary roles with Wesfarmers were in commercial management, strategic planning, business improvement, business governance and business services. I was fortunate to be selected to be on the *Jawun Corporate Partnership* program working with an Indigenous organisation in Kununurra, Western

KA I have served on three boards including Umpi. I am now coming up for two years with Umpi. I think the commercial acumen that I have gained over many years; and specifically the financial, strategic planning, and governance areas have been most useful. I have gained considerable personal

AGM and annual reporting time

It is time to prepare your reports and hold your annual general meeting (AGM) for the 2013–14 financial year.

When organising your AGM, remember that, like any other meeting, the AGM has to be properly planned.

ALWAYS check your corporation's rule book for rules about holding your AGM.

Do it now.

Call and hold AGM
Due between 1 July
and 30 November

Lodge 2013–14 reports
with the Registrar
Due between 1 July and 31 December*

Don't be late!

*Corporations that don't lodge their 2013–14 reports by 31 December 2014 could face prosecution.

For further information on AGMs, see issues of the *ORIC Oracle* published in November 2013 and May 2014. The newsletters and other information on AGMs are available on the Registrar's website at www.oric.gov.au.

Lodge online – it's easier
than you think:

<https://online.oric.gov.au>

If you need help with completing your reports or are not sure what to lodge, call ORIC on freecall 1800 622 431 (not free from mobiles) or email info@oric.gov.au.

(continued on back page)

Drawing on experience

What can an independent director contribute?

Independent directors normally work alongside member directors to help them set strategic direction and monitor the business plan of a corporation. They help member directors govern the corporation and help the board function properly.

When recruiting an independent director, it is important to find the right person for your corporation and circumstances. Depending on the corporation's core business, you may want to look for someone with a **wide range of experience**. For example, the corporation may need someone from a legal background who is also currently on a number of boards of privatised entities. Or maybe the corporation needs someone with an accounting background who is also serving on cultural and government boards. People such as these would not only have the relevant expertise needed but also have an in-depth knowledge of corporate governance principles.

“ The appointment of independent directors goes hand-in-hand with the principles of good corporate governance and best practice recommendations. ”

COMING SOON

Independent director portal

The Registrar is currently developing an independent director portal to partner corporations with individuals who may have the interest and skills that match a particular corporation's needs.

Key characteristics of an independent director

Some key characteristics of an independent director:

- to be of good character and business standing
- to bring to the board table experience in one of the corporation's business areas
- to have a network of relevant/necessary contacts that could be useful to the corporation
- to have the interest in sharing their particular skills with an Aboriginal and Torres Strait Islander corporation
- to be prepared to question, challenge and critique; and to commit to the highest standards of corporate governance
- to be financially literate
- to possess leadership experience and qualities reflecting a proven record of accomplishment and the ability to work with others
- to not have conflicting commitments
- to have experience working with Aboriginal or Torres Strait Islander communities or knowledge of native title processes and/or Aboriginal or Torres Strait Islander heritage matters

What obligations does an independent director have?

Independent directors have the same obligations under the CATSI Act as member directors of an Aboriginal and Torres Strait Islander corporation have, see the Registrar's fact sheet, *Duties of directors and other officers* at www.oric.gov.au.