

FINAL REPORT

2008/322.11 People Development Program: FRDC emerging leader governance scholarship - Martin Exel

26 June 2012

ACTIVITY UNDERTAKEN

Thanks to the support of the FRDC, I participated in the week-long Company Directors course run by the Australian Institute of Company Directors, successfully completing the week of course work, along with the (post-course) assignment and examination.

OUTCOMES ACHIEVED TO DATE

The course provided extensive insight to the workings of Company Directors, and responsibilities both in a financial and legal sense for participation as a Director. It has improved my understanding and participation in the Boards that I am on (Commonwealth Fisheries Association, Institute of Marine and Antarctic Studies, and Coalition of Legal Toothfish Operators).

Following my completion of this course, it was valuable to encourage other members of the CFA Board to attend a day long AICD course on Directorship (also funded by FRDC) which enhanced both my understanding of roles and responsibilities, as well as the other CFA Board members. I believe I am a much improved Chair of the CFA, and a much improved Director of Boards more generally, as a result of this program.

Membership of AICD provided access to materials and monthly Directors magazines with information and background of relevance to all aspects of working as a Director. I have subsequently renewed my membership of AICD following expiry of the FRDC funding.

ACKNOWLEDGEMENTS

I would like to thank the FRDC very much for its support of my attendance at the course and membership of the AICD for 12 months.

BACKGROUND

I've been involved with the Australian fishing industry for over 30 years, and have been participating in various roles as a Director, or senior executive, in many different fisheries-related organisations. Having recently been elected Chair of the Commonwealth Fisheries Association, I felt it was important to get a very clear understanding of the roles and responsibilities for Board members, as a means to improving the professionalism and skills base in the industry more broadly.

NEED

Perception of the 'need' for this course alters having completed it. To begin with I have participated on numerous committees and Boards in the preceding years, and felt I had a good level of experience and knowledge of what is required to be an effective Board member.

However, the need to improve my understanding was highlighted during the course. It became clear that particularly the legal requirements that have changed for all Directors as a result of recent court judgements, along with the level of fiscal responsibility expected of Directors, were both at much higher levels of expertise and understanding than I had previously been working to.

The need for my attendance at the course also has led to strong support for an additional program from FRDC to provide AICD training for other Directors of the Commonwealth Fisheries Association, which was completed in May 2012.

OBJECTIVES

I successfully met my two main objectives, which were to participate successfully in the AICD Company Directors course, and to have a one-year membership to the AICD to investigate the benefits of continued association with the group.

I received my Company Directors Course Diploma in November 2011, and have just renewed my membership of the AICD in June 2012.

METHODS

The AICD course is extensive, with over 100 hours of pre-reading material provided, then a 5-day intensive course based in Hobart (at UTAS) in my case. Each day of the course involved around 9 hours of face to face instruction and role playing, and each evening at least 3 hours of either assignment or preparation for the next day of coursework.

Following completion of the 5 day course, there is a requirement to complete an assignment, which the AICD estimated would take 20 – 30 hours, and took me about 25 hours before it was submitted. The assignment was largely a written review of an example Board, considering all aspects of Corporate Governance, Financial responsibility, Risk assessment, and actions that could be taken as a Director.

Once the assignment was completed and submitted, I then sat the AICD exam on line, with an invigilator overseeing my work. The exam was a mix of multiple choice questions and short essays.

The combination of learning methods (pre-reading, course work, study, assignments and exam) certainly reinforced the messages from the course, and helped refine the skills and expertise necessary for a Directors role.

RESULTS/DISCUSSION

As outlined above, the course developed all aspects of my skills, expertise and understanding in the areas of Board finance, risk assessment and management, corporate governance and legal requirements.

By raising my awareness this also helped me encourage other CFA Directors to participate in the one-day AICD course on Directors roles and responsibilities that was also sponsored by FRDC. Changes have been made, or are in the process of being made, to ensure we have effective policies and legal requirements in place for the CFA, and much improved fiscal control over our finances.

BENEFITS AND ADOPTION

I believe the benefits to CFA members are evident already, with improved fiscal, legal and corporate governance controls in place following the course. In addition, the improved understanding and separation of the roles of a Board Director compared to senior executive, or company shareholder, mean that I am able to more effectively utilise and focus my skills at an appropriate level when participating as a Board member.

FURTHER DEVELOPMENT

I have renewed my membership of the AICD and will continue to participate from time to time in their courses and events. As with the CFA one-day course for other Board Directors, I am continuing to encourage other industry participants (who either are currently Board members, or possible future Board members) to undertake the course as well.

I believe the one day course that was being sponsored by FRDC was excellent and provided an insight to the levels of legal, financial, and corporate governance skills that are required to operate effectively as a Board. If there could be a way to improve the uptake of those courses throughout the broader industry, it would benefit all operators.

Thanks again to the FRDC for providing me with this opportunity.

Martin Exel

General Manager Environment and Policy

Austral Fisheries Pty Ltd

26 June 2012