



Final Report

**Maximising industry representational  
capacity and capability through  
improved skills and knowledge**

**Julian Harrington**

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**FRDC 2018-063**

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#### Researcher Contact Details

Name: Julian Harrington  
Address: PO Box 878 Sandy Bay TAS 7005  
Phone: 03 6224 2332  
Fax:  
Email: [tsic@tsic.org.au](mailto:tsic@tsic.org.au)

#### FRDC Contact Details

Address: 25 Geils Court  
Deakin ACT 2600  
Phone: 02 6285 0400  
Fax: 02 6285 0499  
Email: [frdc@frdc.com.au](mailto:frdc@frdc.com.au)  
Web: [www.frdc.com.au](http://www.frdc.com.au)

In submitting this report, the researcher has agreed to FRDC publishing this material in its edited form.

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# Executive Summary

Twenty (20) Tasmanian seafood leaders participated in a two (2) day Australian Institute of Company Directors (AICD) course over the 30 and 31 May 2019. Courses completed were:

- Governance for Directors
- Finance for Directors

Participants gained a better understanding of best practice governance and how to interpret and understand financial reports.

The skills gained will provide greatly improved capacity and capability within Tasmanian seafood sector associations and the Tasmanian Seafood Industry Council (TSIC).

## Keywords

**Governance, financial reporting, Australian Institute of Company Directors.**

# Introduction

The Tasmanian seafood industry operates in an exceptionally complex environment, with a diverse range of stakeholders who have input and influence over the decision making process. Furthermore, an increasing number of issues and challenges threaten the ongoing viability of the industry, notable examples include large scale harmful algal blooms on Tasmania's East Coast, community and industry acceptance of salmon expansion and political influence overriding a scientific evidence base.

Industry associations and the volunteer Directors of such organisations are tasked with steering the Tasmanian seafood industry towards a sustainable and prosperous future. Fundamental to the success of seafood sector associations is sound governance, fiscal responsibility and strategy and risk preparedness. Directors of not-for-profit associations must clearly understand their role and legal obligations of being a Director, and their role in steering industry in a positive forward projection.

Governance, fiscal responsibility and strategy and risk preparedness are fundamental skills and knowledge that all Directors must be aware of and constantly reminded of, and it is important to provide volunteer Directors the opportunity to up-skill or re-skill in this important area.

The Australian Institute of Company Directors (AICD) offer short, one day courses tailored to the Tasmanian seafood industry needs.

## Objectives

1. To conduct two (2) one (1) day Australian Institute of Company Directors courses focusing on Governance and Strategy and Risk for Directors, with a focus on not-for-profit organisations.

NOTE: This objective changed to conduct one (1) two (2) day Australian Institute of Company Directors courses focusing on Governance and Strategy and Risk for Directors, with a focus on not-for-profit organisations.

2. To improve the skills and knowledge of seafood industry representatives
3. To ensure sector associations are operating within their legal requirements
4. To improve industry capacity and capabilities to strategies and address risk

NOTE: This objective changed to: Improve industry capacity and capability to understand their financial obligations and reporting requirements.

# Method

The Australian Institute of Company Directors (AICD) was contracted to deliver the "Foundations of Directorship: Governance for Directors" and "Foundation of Directorship: Finance for Directors" short one day courses. The delivery of the courses focused on not-for profit organisations, with specific reference to companies limited by guarantee and industry associations.

The Tasmanian Seafood Industry Council (TSIC) facilitated participants, venue location and catering, while the AICD was responsible for the delivery of the workshops, inclusive of organising presenters and content structure. This delivery style and content was refined during a preliminary meeting between the AICD and TSIC Chief Executive.

Although the cost of the AICD courses could be deemed expensive, the AICD has a proven track record in delivery of such workshops in an interesting and professional way.

## Results, Discussion and Conclusion

### Results

TSIC invited representatives from all Tasmanian commercial seafood sector associations (wildcatch, marine farming and seafood processing), along with the Tasmanian Association of Recreational Fishers (who in turn invited the Board of the Anglers Alliance Tasmania); and Directors and Staff of Seafood and Maritime Training to attend the two day Australian Institute of Company Directors (AICD) course. There was a high level of interest in attending the two day course, however, many interested parties were unable to commit to the two days event.

In total, there were 20 participants, who represented a diverse cross sector of the Tasmanian seafood industry (Table 1). Brian Hinson from the Tasmanian Association for Recreational Fishers was scheduled to attend the courses, but had to pull out due to sickness. Representatives from the Tasmanian Abalone Council had completed the course in late 2018, and agreed to leave spaces open for other participants if demand was high.

Local AICD facilitator Ross Byrne delivered the "Foundations of Directorship: Governance for Directors" course on Thursday 30 May 2019 and the "Foundation of Directorship: Finance for Directors" course on Friday the 31 May 2019 at the Royal Yacht Club of Tasmania. Overviews of the course content is provided in Appendix 1 and 2.

### ***Course overview – Day 1 Governance for Directors***

This course consisted of two sessions:

- The Role of the Director and the Board
  - The role and relationships of the board
  - Who is a Director
  - How boards do their job – corporate governance
  - Director's duties and responsibilities
  - Appointment, conduct and removal of directors
  - Rights of directors
- Introduction to Board Meetings and Governance
  - The role and composition of the board
  - Boards in action
  - Evaluating and improving board performance
  - Making an informed decision in joining a board

### ***Course overview – Day 2 Finance for Directors***

This Course consisted of two sessions

- Introduction to Financial Statements for Directors
  - Introduction to financial statements
  - The structure of financial statements
  - Income statement, Balance sheet & Cash flow statement
  - Statement of changes in equity
  - Some issues in financial statements
  - Statutory duties: financial statements and reports
- Assessing Financial Performance for Directors
  - Why should you analyse company performance
  - Ratios and analysis
  - Insolvency prediction
  - Non-financial performance indicators

## Discussion

It must be acknowledged that the cost of the AICD courses is very high, however, the professionalism, content, delivery style and understanding of our seafood industry and its needs far outweighs any perceived high cost of delivery.

The course facilitator, Ross Byrne, was exceptional. He provided a highly dynamic, and relevant delivery of content, with a high focus of relevance to seafood and not-for-profit organisations. He was able to feel the 'vibe' in the room, and modify his delivery approach and style to suit participant needs. This was very well received by the participants, as for majority of participants in the commercial fishing industry, a 2 day workshop was foreign territory and a daunting task.

Course participants refreshed or gained an understanding of their roles and responsibilities as a Director of a company or an industry association. They also gained a better understanding and appreciation of best practice governance. As a consequence of the two day course, a number of Directors have taken new ideas and concepts back to their respective Boards to improve governance and operations. One person has even engaged an accountant to improve their financial reporting.

In general, it was pleasing to learn that Tasmanian seafood industry associations, including TSIC, were performing well against best practice governance and financial reporting.

The TSIC CE saw this training as an opportunity for TSIC staff to better understand the governance and operations of a seafood sector association. This is important for all TSIC staff, as we provide significant support for the operation and running, as well as financial support, for the Tasmanian seafood sector associations.

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*The recent corporate governance course facilitated by TSIC was highly valuable to the TRLFA board.*

*Since doing the course the TRLFA board operates more efficiently as the directors understand their roles and responsibilities of an effective functioning board.*

*Such as Rules, Purpose, Culture, Relationships and Strategy.*

*This will only help to serve the TRLFA and its members positively into the future.*

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**Clive Perryman**  
**President of the Tasmanian Rock Lobster Fishermen's Association**



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*I found the AICD course extremely valuable. It was taught very well, and it was especially good to do the course alongside other industry members so we could have discussions relevant to us in particular. The course demystified things I saw as very complex beforehand, particularly in relation to finances. I now have a much better understanding of how to interpret financial statements and how to implement proper governance practices, and I know these skills will be useful to me as I become more involved in TSIC projects*

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**Grace Isdale**  
**TSIC & Oysters Tasmanian Project Officer**

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*Through the two day course, I gained an understanding of financial reporting obligations required for Not for Profits.*

*I also gained an understanding of the process and procedures that improve the operation of a Not for Profit.*

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**Michelle Sims**  
**Finance and Administration TSIC**

## Conclusion

The two days of the Australian Institute of Company Director's courses provided an exceptional opportunity for Tasmanian seafood sector organisations and their Directors to upskill and / or reaffirm best practice operations of their respective organisations.

Although our sector associations have a high level of compliance against best practice governance and financial reporting, there is always room for improvement.

Participants have taken away new ideas and understanding, which will have a positive outcome for our Tasmanian seafood representative bodies.

Providing such learning opportunities is very important, and TSIC will look at running another AICD course in two years' time.



*Some of the seafood industry participants in the AICD two day course.*

Table 1: Course participants

	<b>Name</b>	<b>Organisation</b>	<b>Position</b>
1	Lindsay Newman	Tasmanian Seafood Industry Council	President
2	Julian Harrington	Tasmanian Seafood Industry Council	Chief Executive
3	Emma Woodcock	Tasmanian Seafood Industry Council	Project Manager
4	Grace Isdale	Tasmanian Seafood Industry Council	Project Officer
5	Michelle Sims	Tasmanian Seafood Industry Council	Finance and Administration
6	Chris Parker	Tasmanian Seafood Industry Council	Director
7	Nick Savva	Australian Abalone Growers Association	Chair
8	Joel Gilby	Australian Abalone Growers Association	Director
9	Ellen Cameron	Oysters Tasmania	Director
10	Ian Duthie	Oysters Tasmania	Director
11	Bob Lister	Scallop Fishermen's Association of Tasmania	Executive Officer
12	George Marris	Tasmanian Rock Lobster Fishermen's Association	Director
13	Darrell Grey	Tasmanian Rock Lobster Fishermen's Association	Director
14	Clive Perryman	Tasmanian Rock Lobster Fishermen's Association	President
15	Jonathon Hammond	Tasmanian Rock Lobster Fishermen's Association	Director
16	Margaret Atkins	Tasmanian Rock Lobster Fishermen's Association	Treasurer / Secretary
17	Rob Rattray	Tasmanian Rock Lobster Fishermen's Association	Director
18	Danny Fox	Tasmanian Rock Lobster Fishermen's Association	Director
19	Renison Bell	Tasmanian Commercial Diver's Association	President
20	James Garde	Seafood and Maritime Training	RTO Manager

# Implications

*Outcome 1) Greatly improved capacity, knowledge and skills within industry leaders.*

*Outcome 2) Sector Associations and Directors who meet their governance obligations.*

*Outcome 3) Sector Associations and Directors with improved capacity to manage strategy and risk*

*Outcome 4) Greatly improved representational capacity and capability within Tasmanian sector associations*

There were 20 participants in the two day course, representing seven separate industry organisations. All representatives are leaders in their industry sector groups. This provides a significant improvement in the knowledge, skills and ultimately capacity of seafood leaders in Tasmania. The course has provided the platform for these leaders to ensure appropriate governance and management of sector organisations, which in turn provides a solid platform for industry representational capacity and capability.

From the perspective of TSIC, the increased understanding and knowledge of governance and finances has provided a robust platform for TSIC staff to support sector associations manage their governance and financial responsibilities, from the formal regulatory reporting requirements, to support with meetings, agendas and minutes, through to financial reporting.

## Recommendations

### **Recommendation 1:**

That seafood sector associations consider offering access to the AICD short courses for all new Directors.

### **Recommendation 2:**

That seafood sector associations review their governance and financial reporting on a regular basis, and to align this review with the information and resources provided as part of the AICD course.

### **Recommendation 3:**

That the TSIC Chief Executive and other industry leaders consider completing the full AICD program.

# Extension and Adoption

Each sector group will develop their own extension and adoption of outcomes relevant to the information delivered as part of the AICD course.

From the perspective of TSIC, several recommendations for adoption at the level of the TSIC Board have been tabled and accepted. These include:

- A reinforcement to the Board that they must challenge, question and be involved with all aspects of being a Director of TSIC.
- The need to develop a formal Board Charter – or TSIC Board Code of Conduct. The TSIC Staff Code will form the foundation of this Charter.
- Tricker Model – the TSIC Board will review the Tricker Model as part of each Board meeting to ensure that appropriate time and effort is allocated to each operational area.
- Workplace health and safety (TSIC and Broader industry – state and national) to be a standing agenda item.
- CE and other TSIC staff to allow TSIC Board 15 minutes discussion in private.
- Finances – a review of TSIC financial operations was currently underway, however the content of this course will greatly assist this review process.

## Project coverage

The TSIC CE promoted the funding provided by the FRDC throughout the 2 day workshop.

# Appendices

Appendix 1: Overview of the AICD Course content and deliverables.