

About this information pack

As a community based, not for profit organisation, Community Radio 2XX Incorporated relies upon members of the community to become members of the Board, so as to govern the operations of the Station. Without Board members (and our dedicated staff team), 2XX could not operate.

Becoming a Board member is a rewarding experience, and provides great benefit to the Station and through it to the community in general. However, Board members have a wide range of duties and responsibilities to meet, and becoming a Board member is not for everyone.

The purpose of this information pack is to provide an overview of the roles and responsibilities of Board members and to help potential members make an informed decision as to whether to nominate for a position on the Board or not.

Please note that this information pack is not legal advice, and the Station will not be held liable for the correctness of any information contained herein. If you have any specific questions, you should seek professional legal advice.

What is Community Radio 2XX Inc?

Community Radio 2XX ("the Station") is a not for profit organisation incorporated under the *Associations Incorporations Act 1991* (ACT).

What does the Station do?

The Station provides a diverse range of programming of interest to the Canberra Community. The focus of 2XX's programming is to give a voice to individuals, groups and issues that may not get attention from other forms of media; to provide community announcements for organisations; to publicise events and services, and to enhance the culture of Canberra through participation and/or publicity of events and festivals held in the Canberra area.

Where does the Station get its money from?

The Station has a turnover of about \$200,000 each year, the majority of which comes from various grants, the ACT Government Department of Disability, Health and Community Services, Community Broadcasting Foundation, Sponsorship and airtime sales.

What is the role of the Board of the Station?

The Board is responsible for the governance of the Station. This means ensuring that the Station's funds are spent efficiently, ethically and in compliance with all relevant law. It also means ensuring that the Station is sustainable, and will continue to deliver services in the years to come, through the development of strategies and assessment of the performance of 2XX in meeting its goals.

What does a Member of the Board do?

The Board acts on behalf of the members in supervising the Station. It is the Board's responsibility to set the Station's direction and goals, and it is the Station Manager's responsibility to decide *how* to achieve those goals. The Board works to:

- set and review the medium and long term goals of the Station
- approve the annual budget
- monitor the performance of the Station
- approve major financial decisions
- evaluate the Station Manager's performance
- ensure major risks are identified and managed
- ensure there is accurate financial reporting and that the Station complies with the law.

All decisions are made collectively by the Board and all Board members share equal responsibility for those decisions.

Are Board members legally liable for the decisions they make?

Yes, Board members are legally liable for the decisions they make. However, the instances of Board members of not for profit organisations being sued is relatively rare, and the standard of care required of a voluntary Board member of a not for profit organisation is usually lower than that expected of an executive director of say a company listed on the stock exchange.

How is the Board different from the committee of any other not for profit community organisation?

Legally, the Board is the same as the committee of any other incorporated association. It is the aim of the Station to be seen by funding bodies as professional, accountable, effective and fully compliant with the law. A separation of the management and governance roles within the Station is fundamental to the achievement of this goal.

The appointment of a Station Manager with day to day management responsibilities has worked extremely well for the Station, and leaves the Board free to consider broader issues and not get bogged down in day to day management decisions.

What are the legal duties of a Board Member?

Board members have a duty to:¹

- represent the interests of all members
- act in good faith, in the best interests of the Station
- avoid conflict of interests
- not use inside knowledge they gain from being on the Board for personal gain
- act with care and diligence
- not allow the Station to enter into any debts that it may not be able to pay.

Do I receive any remuneration as a member of the Board?

No. Board membership is an entirely voluntary position.

What core skills are important to the Board of 2XX?

Potential Board members should be able to contribute in one or more of the following areas:

- **Strategic expertise** – the ability to review the strategy developed by the Station through constructive questioning and suggestion.
- **Accounting skill** – the ability to read and comprehend the Station's accounts and the financial material presented to the Board, and to understand financial reporting requirements.
- **Legal skill** – the Board's responsibility involves overseeing compliance with many laws.
- **Managing risk** – the Board must be able to manage areas of major risk to the Station
- **Managing people** and achieving change
- **Knowledge** of the community broadcasting sector.

As a not for profit organisation funded through grants, sponsorship and by government, the Station needs to be able to establish alternative sources of income to ensure that it remains financially viable in the years ahead. Therefore, all Board members, regardless of the particular skill they possess as outlined above, should be prepared to be involved in ensuring the long term sustainability of the Station.

What personal qualities should a Board member possess?

These are personal qualities that are desirable in a Board member:

- **Honesty and integrity** – the Board only operates effectively if there is trust between the members. Board members need to be able to raise and discuss matters in confidence in order to explore issues thoroughly and resolve them.
- **Courage** – a Board member must have the courage to question or speak up if they believe something is not right regarding an important decision, or to challenge the Station Manager if necessary.
- **Tact** – effective Board members can work within a group and express a point of view or question forcefully, yet constructively.
- **Genuine interest** in the Station and its operation.
- Be an **active contributor** and a team player.

The following is a list of things to think about when considering becoming a Board member:

- Am I a strategic thinker?
- What skills do I have that would add value to the Board?
- Do I understand the Station's operation?
- Can I work as part of the Board as a team?
- Do I have sound business instincts and judgement?
- Am I genuinely interested in the Station, its operation, its staff and those it serves?
- Am I honest and a person of integrity?

What commitment is required of me as a Board member?

Each Board member is expected to:

- Attend, and actively participate in, Board meetings each month, held on the third Wednesday of the month from 5.30 (food and socialising) 6.00pm Business starts, to 8.00pm
- Prepare fully for Board meetings by reading all Board papers prior to the meeting.
- Participate in a Board committee, such as the staff committee
- Attend major Station events.
- Deal with "out of session" issues, usually by email.
- Comply with the Board Code of Conduct.
- Apply his or her individual skills for the benefit of the Station as required.
- Represent the Station to the broader community.

¹ Please note, this is a condensed summary only of the law, and not a full and complete statement of Board members' duties.

