

# Deep Governance Matters

The world of community service and mission

Sample

BY KATHLEEN DONNELLON





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For Tom and Lola

Sample

Deep Governance Matters is a wonderful resource for the rapidly growing number of directors and council members involved in oversight and governance of not-for-profit organisations, especially those that are faith-based. It clearly and accessibly sets out important principles, illustrating them with many concrete examples. New board members will be encouraged by many helpful suggestions and tips, while more experienced directors will look at some of their own experiences in a new light. Deep governance does indeed matter, not only because of what can go wrong, but because it directly impacts how well an organisation pursues its mission. This book will help promote high quality governance and greater effectiveness by not-for-profit organisations throughout our community.

– Bishop Shane Mackinlay

Kathleen Donnellon has created a terrific resource. This is a really clear and engaging book on such an important topic. The anecdotes are excellent: candid and insightful.

– Virginia Bourke

*Pro Chancellor, Australian Catholic University, Chair of the Board of Mercy Health*

The first thing that is clear when reading this book is that Kathleen has been there, at the grassroots of NFP Governance, and fully understands, at depth, not only all that is to know about the intricacies of faith-based governance, but also the psyche of those about to embark on such a serious responsibility. I wish I'd had the advantage of this tool to navigate such a labyrinth of information, nuance, peculiar language and personal emotional probing before I stepped into the world of mission-based governance.

I applaud the distinction between corporate and faith-based NFP and cannot agree more about the emphasis given to mission and relationship. These are the defining features of our sector. Kathleen has ensured that they permeate every aspect of governance.

This book has clarity of material, is encouraging, enlightening and engaging, and follows a logical sequence in structure. It is serious in nature and light in approach. It leaves no stone unturned, thus opening up what has often been an area where we could only come to understand our commitment and responsibilities when already well on the journey. Kathleen has made a contribution of great importance to prospective board members and those of us who have been seasoned over many years.

– Mary Louise Petro, RSM

*Congregational Leader, Sisters of Mercy, Parramatta*

*Deep Governance Matters* casts a contemporary light on faith-based ministries with a tone which is pithy, honest and engaging. While at first glance it appears deceptively simple, at no stage does the reader doubt that this book is written

by someone who has a deep experience of Boards – and in particular Boards that govern a faith-based mission. *Deep Governance Matters* encompasses a lot of common sense, for example, *Who runs the organisation – the CEO or the Board?* Many such apparently simple questions are asked, and the answers provided in this book show that they are often not the simple questions they first appear to be.

– Brigid Arthur csb, AO  
Founder and Project Coordinator, Brigidine Asylum Seeker Project

*Deep Governance Matters* is perfect for anyone thinking of joining a mission-based Board. Too often people are scared to join a Board for the first time or think, ‘What do I have to offer and will I fit in?’ This book helps demonstrate that Boards need people of diverse backgrounds and experience and there likely is a role for you.

This is a great read, as it reinforces and reminds us (even a current director in a mission-based organisation) of the importance of our mission in the work that we do. Kathleen’s personal stories really help to bring to life the nuances of a mission-based Board and the important role that governance and the Board plays in working towards that mission.

– Travis Bowman  
Chair Finance Risk and Audit Committee and Director, Mercy Works

This book covers everything you’ve ever wanted to know about governance and mission. *Deep Governance Matters* is an engaging and heart-warming read on what could be a heavy topic. It is written with a light touch, great insight, and practical guidance.

Kathleen lives out all this accumulated wisdom – I can vouch for that! I had the privilege of working as an Executive Director alongside Kathleen as my Board Chair. She has an agile mind and a great capacity for building relationships which is evidenced in the style of this book. I felt very moved when I realised I may even be counted as one of Kathleen’s ‘radical women’ friends in the chapter *Do I have to behave like a ‘nun’?*

– Sally Bradley RSM  
Executive Director, Mercy Works

*Deep Governance Matters* is entertaining, accessible and practical – full of stories, examples and advice for life on a not-for-profit Board.

This is a book you can dip into again and again – before you join a Board, when you’re faced with tough decisions, and when you need some inspiration and motivation. With short chapters on topics such as risk management, the importance of diversity, and strategic planning, Kathleen draws on her extensive and diverse real-life experiences to share how to ‘keep mission as your compass’.

If you're about to join a board, or if you're feeling jaded and wondering what it's all about, this book is for you. Inspiring and entertaining, filled with real life stories and practical advice, Kathleen helps us to feel better about our ability to contribute to good governance, and teaches us how to stay sane along the way.

– Lisa Dwyer, Chair Star of the Sea College Board,  
Deals Strategy and Infrastructure Advisory, PwC

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# Foreword

I have many weaknesses. One is a penchant for corny old jokes. Here is an example ...

A distinguished art critic wanders into the first exhibition of a young painter. The crowds recognise him and part to let the personage come through. He sniffs at a few paintings and then finds the budding artist, drawing himself up to his full height.

‘Do you want my opinion of your work?’ he asks her in a patronising manner.

‘Okay,’ says the artist.

‘It is absolutely worthless,’ he replies.

‘Fine,’ replies the artist. ‘But let’s hear it anyway.’

What has this old gag got to do with governance? Well, when you think about it, the joke is about power. The critic assumes that all the power belongs to him and the people who act deferentially only consolidate a dysfunctional situation. The artist finds her voice to make a more level playing field. Good on her!

Governance is about sharing responsibility, about listening to a range of opinions rather than just those of the so-called important people. When structures of governance work well, nobody is passive or disengaged or disempowered. There is no division between critics and artists. Everyone is working together to create a single glorious work of art.

*Deep Governance Matters, The world of community, service and mission* is a wonderful book. It deals with precisely this kind of situation. It challenges groups that become dysfunctional because only one voice matters or because they don’t have a structure that is strong enough to properly bear the weight of their responsibility. Governance is a big word. It makes people think of rules and regulations and long documents. It may also

make people think of contesting visions in conflict with each other, even of power games.

Kathleen Donnellon knows it doesn't have to be like that. She is a lawyer with years of experience on boards and in consultancy, especially in the not-for-profit sector where mission, rather than money, is the key motivator. There are countless stories and insights in this book that remind us that governance involves human beings trying to achieve important purposes. Kathleen is enormously encouraging, practical and entertaining. She shows that governance is a task that lies within the capabilities of more of us than we may have imagined. Governance is closely related to mission. The mission is our why. Governance is our how. They need each other, just as a great idea needs a structure to bring it to reality.

Governance is far from arid. It can be creative and even fun. But for this to happen, it needs to take place in a secure and supported structure where roles and responsibilities are clear, transparent and accountable. Kathleen knows first-hand that more of us need to take an active part in the management of the schools, hospitals, day-care centres and social institutions on which our community relies. Done well, governance can be a most rewarding experience. In communities with religious origins, there is a slow but steady maturation away from 'the pastor knows best' to 'we all share our mission'. We all have to be, at different times, both artists and critics.

The broader context of this book is important. We live in a world that often feels fragile and tense. Humans are slow learners and in some parts of the world we have once again seen the rise of dictators who are hell bent, to use a phrase advisedly, on treating everyone else as pawns in their game. Closer to home, people no longer trust institutions that have served us well for centuries. There are people who are keen to tear down structures without having anything meaningful to put in their place.

This book helps to change this. On the one hand, it shows us ways us to move from individual power to group responsibility and creativity. On the

other hand, it calls more of us to step up to take our part in strengthening structures that our community needs now and in the future.

The word ‘governance’ owes its origin to the sea. It comes from the Latin word for piloting or steering a ship, something that requires skill in both good weather and bad. This is worth remembering as Kathleen Donnellon invites us on a voyage of discovery where we need all hands on deck.

– *Michael McGirr*

Sample

## Introduction:

*There's a big difference  
between sitting on  
a board and sitting  
around bored*



**W**e all need schools, hospitals, aged care facilities, community support organisations and all sorts of other social institutions. But they don't run themselves!

This book is written to help people who may have been approached to become directors of a not-for-profit board or council, people who are thinking about sharing such important work, and people who might just be wondering what that meeting on a Wednesday night is all about.

In my parents' time, it was common to volunteer with organisations like Vinnies or the Lions Club, where the work was hands-on and often very community-based. These and similar organisations still do great work – and all power to the people who give up their time to help their communities in this very practical and useful way.

But times have also changed, and we now look to ordinary people to not just do the hands-on work but to guide some of that work. We've come to think of many of these 'caring' organisations as just being part of the furniture – always there to reach out to our community members in need. But these schools, hospitals, refugee-support bodies, community care centres and suchlike, can only continue their tradition of care with the support of people like you: people prepared to take on the responsibility of ensuring good governance, so that all who rely on them will be able to continue to do so. The role of governance is more important than ever. It is not always easy to find people who have the time, expertise, and confidence to fill these leadership roles. Often, people are inclined to underestimate what they have to offer. The word 'board' can make people think of the Reserve Bank or some listed company where directors are handsomely paid. Good luck to them. But this book is about a different world, the world of community, service, and mission. You may be paid for your efforts, but you probably won't be. Great opportunities and experiences will come your way regardless.

I would like to offer this book as an encouragement and even inspiration. I have spent many years as a board director and also as a board chair of not-for-profit, church-based ministries. These have included the board of a large catholic school, the board of a Christian-based, international development organisation, and the board of an order of Catholic sisters.

I love this work. It supports the structures that in turn support our young people, our frail, our people living with disabilities, our refugees, our First Nations people, our traumatised, and our most marginalised. To become involved in this work is to walk respectfully alongside all marginalised people. As for what skills you need to do the work, I trained as a lawyer and mediator, but to be honest, what I learned as a mother, community member and person of faith is as important to the work as my professional skills.

The stories in this book are mostly about organisations grounded in the Christian tradition with a particular focus on Catholic ministries. That's been my area of experience. There are, of course, many other faith traditions that also undertake this great work. At heart, we share a common mission of outreach and support for people in need.

This is not a book that details the rules for governance and the responsibilities of a board. It is important you understand these things and I will suggest a few links that might help you to that end.

Rather, for those who have recently been asked to join a board, or who have recently done so, I see this as offering a bit of light while you are standing in the tunnel and wondering what you might find at the other end. For those who are experienced board directors, perhaps this will offer new perspectives. I have some stories to share. I will also share with you some of the questions that I wish I had asked when I first became involved in this work. I hope to answer some of the FAQs that are often thought, but seldom actually asked.