

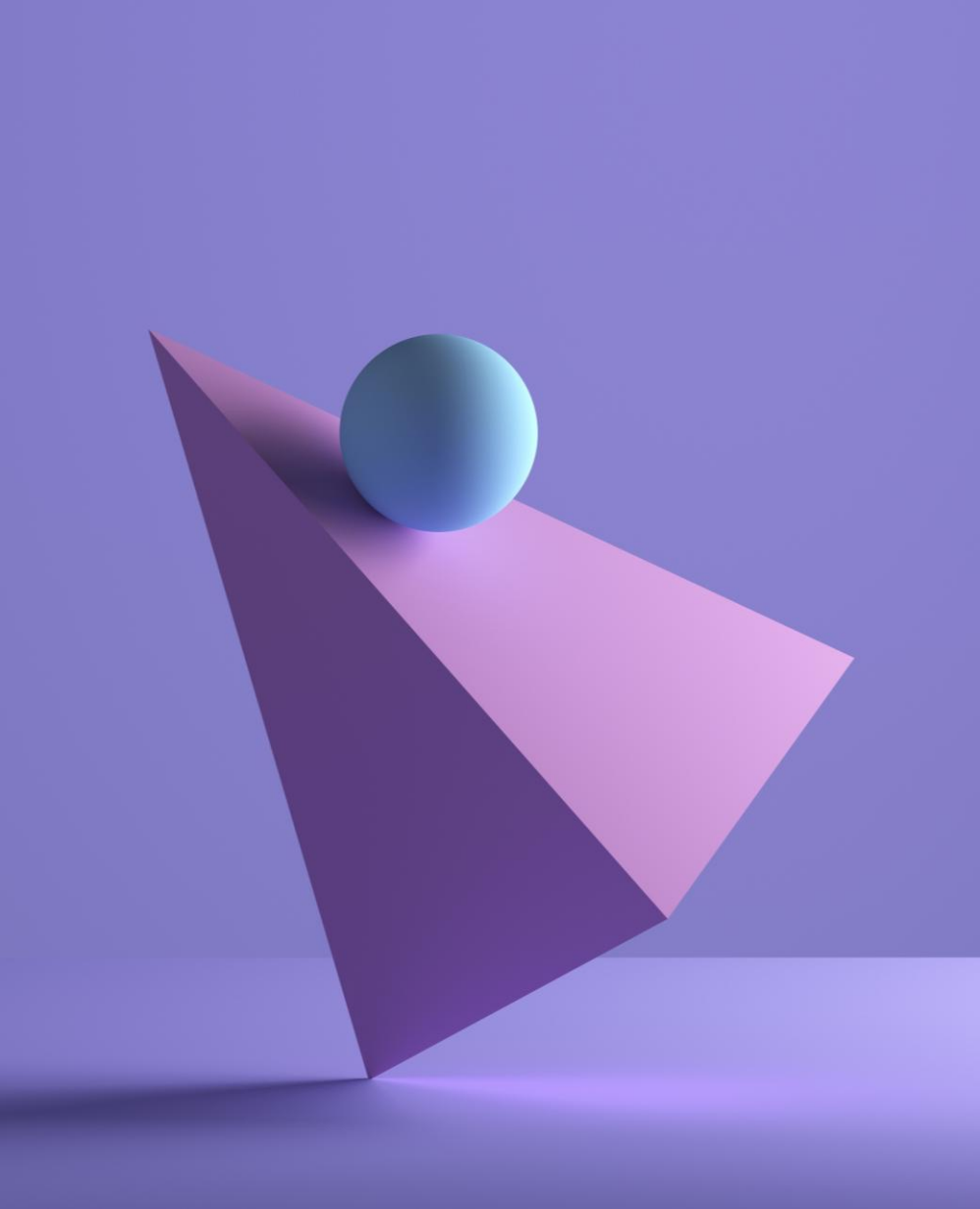


Scenario 1: Duty to act bona fide in the best interests of the company

Richmond Trust Fund is a community foundation that supports young people in the youth justice system.

Kevin, a long-time board member, has recently been pushing the board to advocate strongly against a proposed government policy that will introduce a broader criminal history check required for board members. While the organisation's values broadly align with Kevin's argument, the rest of the board decide that it's more appropriate for the organisation to focus on issues more directly related to the Trust's strategic objectives.

Kevin ends up resigning from the board and it becomes clear after the new policy is introduced that he would have been adversely impacted by the new policy but there is limited impact to the Trust.



Scenario 2: Duty of care, skill and diligence

Youth For Good Inc. is deciding whether to tender for a program that will give them long term financial stability but may bring some risks in terms of staff capacity. The board of Youth for Good Inc. is made up of people under the age of 25 and they have limited training and experience in governance.

The CEO presents the tender opportunity and recommends that the board do not tender as they believe it will put too much pressure on the staff team. The CEO provides very limited evidence to support this recommendation.

The board aren't convinced but they feel pressured to take the recommendation as they believe the CEO is best qualified to make this decision because of their age and experience.

Another organisation wins the tender and, shortly after the announcement, the CEO of Youth For Good Inc. resigns and accepts a higher paid role with the winning organisation.

Scenario 3: Duty to avoid conflicts of interest

Gary is a board member of a not-for-profit organisation in a small regional town. Each year, the organisation gives out a prestigious community award with a small cash prize to recognise outstanding local volunteers.

This year, one of the shortlisted nominees is his daughter's Year 12 English teacher. Gary is not on the selection panel, but he is on the board that endorses the final decision and announces the winner publicly.

Gary doesn't declare any conflict of interest, reasoning that he doesn't personally know the nominee beyond occasional parent-teacher conversations, and he wasn't involved in their nomination.

When the teacher wins, a local resident posts online questioning whether the award was "a case of small-town favouritism."



Scenario 4: Duty to not trade while insolvent

Live, Love, Learn is a small charity that provides free tutoring from volunteers for recently arrived migrant and refugee students.

The charity receives a one-off grant from government to increase its services across the state from February 2024 to February 2025. The board employs a General Manager and two paid tutors to oversee the program.

In November 2024, the board is informed that the grant will not be renewed for the following year. The CEO manages to find a philanthropic funder to fund 50% of the program for three years from July 2025.

Live, Love, Learn have enough reserves to last for three month of current operational expenses.

What are its options?



Scenario 5: Board solidarity

Amara has been secretary of her local netball association's board for three years. Recently, the board experienced significant turnover, with a new chair, treasurer, and two other members joining.

The new board decided to reduce member newsletters and stop publishing meeting minutes on the website, saying greater confidentiality was needed as the club grew. Amara was concerned about this change in communication. She raised her concerns at board meetings but found herself in the minority.

Frustrated, Amara began voicing her dissatisfaction to teammates outside the board. This fuelled rumours that the board was hiding information, leading to calls from members for a special general meeting (SGM) to address the issue.

Did Amara act appropriately in this situation?

