

# **Key governance issues for funded nonprofit organisations in Queensland**

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It seeks to promote the understanding of philanthropy and nonprofit issues by drawing upon academics from many disciplines and working closely with nonprofit practitioners, intermediaries and government departments. CPNS's mission is "to bring to the community the benefits of teaching, research, technology and service relevant to philanthropic and nonprofit communities". Its theme is 'For the Common Good'.

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## Executive Summary

The past two decades has seen a rise in the expectations of governors of organisations that operate within Australia. Nonprofit organisations are not immune from these pressures and often face unique and challenging contexts when implementing good governance. As a major funder of nonprofit organisations throughout Queensland, three government departments, namely Queensland Health, the Department of Communities, and Disabilities Services Queensland, sought to better understand the challenges facing the nonprofit organisations with whom they work.

In 2007, The Australian Centre for Philanthropy and Nonprofit Studies (CPNS) conducted a governance development survey on behalf of these three Departments to identify the most common training and development needs for Boards/Management Committees (Boards/MCs) of relevant nonprofit organisations. Consultations with the Departments and a client reference group identified a series of 18 relevant governance topic areas which formed the basis of the survey items. Participants were asked to outline (1) the current competence of their Board/MC in each topic area; (2) the level of importance of each topic area; and (3) their level of interest in learning and development or materials for each topic.

The survey was sent to the Boards/MCs of 835 organisations and we received 565 useable responses from individuals within these organisations. Participants represented a diverse range of organisations and a diverse range of governance arrangements. The exception to this generalisation was the organisation's legal form - approximately 84% were Incorporated Associations. Participants were mostly female, unpaid, on no other Board/MC and consider themselves independent from management. Participants reported having relatively lower levels of expertise in the domains or disciplines of Law and Finance/Accounting than other salient domains.

### Governance development issues

Results indicate that:

- Fundraising, Strategy & Business Planning, External Board/MC communications, Evaluation of the Board/MC and Recruitment and Retention were rated as having the lowest level of competence by participants. What is of interest is the higher variability in the response on Fundraising, indicating people may think they have high competence or low competence in this area.
- There was very little variability in the importance attributed to the topics; all topics that were surveyed, with the exception of Fundraising, had a mean between 'high' and 'very high' in the rating. There was a definite indication that issues of the Law and Finance were more commonly recognised as important. This is indicated both by the higher mean and the lower dispersion for these topics. Fundraising was again widely dispersed indicating a range of views across the participants on this topic. The five most important topics as rated by the participants were Financial Management, Legal Compliance, Working Relationships (between the Board/MC and management), Risk Management as well as Strategy and Business Planning.
- Four of the top five issues of development interest also appear in the top five issues of importance. Risk Management, Legal Compliance, Strategy and Business Planning, as well as Financial Management were common to both lists. Interestingly, Director/Management Committee Member Duties was a top five development issue that appeared at the lower end of importance and mid-range in terms of current competence.
- Three of the top five topics are common with those identified as both important and attractive. Strategy and Business Planning, Financial Management and Risk Management again appear to be important issues for Board/MCs where the importance is recognised but is not reflected in the ratings of competence. While Fundraising has the second largest differential, this must be read in light of previous findings and the high variability in this item; in short it indicates that it is very important for some but not others in the sample.

Overall, the data indicates that the following topics would be of most benefit for further development when the three dimensions of competence, importance and interest are considered:

- Strategy and Business Planning
- Financial Management
- Risk Management
- Legal Compliance



## Delivery of Development Activities

The overall results indicate that Boards/MCs would prefer face-to-face delivery of development activities on weekdays. Sessions would be most attractive if they were between two hours and half a day in length and delivered in-house to the organisation. There is also quite good support for printed and online materials as well as regional events.

In terms of delivery tools, a large component of the sample (more than 25%) have either no access or only dial-up access to the internet. In terms of the boards, there are a significant proportion of respondents who do not know their speed of internet access (some 24%), however approximately half appear to have cable access. There appears to be a high penetration of DVD and video facilities, but more than a third of Boards/MCs could not confirm access to a computer and data projector.

## Differences in Participant Types

In addition to understanding general trends about the attractiveness for development, importance and competence levels in the topics, we also ran 324 ANOVA analyses to examine differences in responses based on the participant's:

- Position (i.e. CEO, Board/MC Member/Staff Member/President/Treasurer/Secretary/Other);
- Gender (i.e. Female/Male);
- Highest completed education (i.e. Primary/Junior/Senior/Trade/Undergraduate/Postgraduate);
- Age (20-49; 50-59; 60-69; 70<);
- Independence from Staff/Management (Yes/No); and
- Paid (Yes/No)

The general conclusions of this analysis revealed few strong trends. There was, however, some evidence that:

- CEOs generally rated their board lower in terms of competence than did participants in other positions;
- While there was no general pattern of results based on gender, any differences for topics involved female participants rating things higher (i.e. as more important or attractive as development opportunities) than male participants;
- Participants with more formal education were more likely to rate their boards lower in terms of competence and those with less formal education were likely to find aspects of development more attractive than participants with more formal education;
- Younger participants appear to rate the competence of their boards lower than older participants; and
- There was no general pattern of differences based on either independence status nor paid status.

For full details of these analyses, please see Appendix A.

## Conclusions

This report is a useful starting point for policy makers and organisations wishing to develop the governance infrastructure of the sector.

The data indicates Boards/MCs would benefit most from capacity building activities rather than governance development per se. Thus, the appeal of Strategy and Business Planning, Financial Management, Risk Management and Legal Compliance is supported in ratings across all domains. We did not include Fundraising in this conclusion due to the high degree of variability in responses; it would appeal to some but not other Boards/MCs. In terms of governance specific development needs, there were areas (e.g. Retention and Recruitment of Board/MC members) with large competence-importance gaps but lower interest levels or higher interest but lower competence-importance gaps. Thus, our conclusions are based on the consistency of responses supporting whole-of-organisation issues that were evident across several domains in the survey.

A more speculative conclusion is that the data does not appropriately reflect governance development needs due to the possible limited exposure of participants to alternative governance arrangements. Just under half



of all participants served on a single Board/MC and another 25% served on only one other board (i.e. approximately 75% of participants served on 1 or 2 boards/MCs). Other responses (e.g. 6% of respondents did not know the legal structure of their organisation) would indicate a lack of knowledge of some key areas of governance.

As for delivery of development activities, there is a clear preference for face-to-face, in-house techniques lasting for no more than half a day. There was also moderate support for printed and on-line materials. Thus, it would be useful to consider combining contact-based development activities supplemented with interactive on-line materials and printed information.



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# Section 1: Introduction and Approach

## 1.1 Background

The past two decades has seen a rise in expectations of governors of organisations that operate within Australia. Nonprofit organisations are not immune from these pressures and often face unique and challenging contexts when implementing good governance. As a whole, the sector faces increased demands to perform efficiently with respect to the economic bottom line (Wagner & Spence 2003). There is also considerable pressure to meet increasing compliance demands, for example, in relation to legal issues in which boards are expected to understand complex Legislative Acts (Hough, McGregor-Lowndes & Ryan 2006). There are also rising social or public expectations of how funds are spent, and how organisations deal with governance and liability (Hough, McGregor-Lowndes & Ryan 2006). This leads to often multiple compliance and reporting requirements that can divert a significant portion of an organisation's budget into administration and away from service provision (Ryan, Newton & McGregor-Lowndes 2008). One impact of these demands may be the well documented difficulties in recruiting and retaining directors in the nonprofit sector both overseas and in Australia (Charity Commission for England and Wales 2005; Hough, McGregor-Lowndes & Ryan 2006; Woodward & Marshall 2004). It can be argued that these increasing demands and expectations require renewed efforts in board training and development to ensure they are operating to their best potential in a rapidly changing environment.

As major funders of nonprofit organisations throughout Queensland, three government Departments, namely Queensland Health, the Department of Communities, and Disabilities Services Queensland, sought to better understand the challenges facing the boards of nonprofit organisations with whom they work. In Queensland there are at least 20,200 nonprofit entities registered and/or operating, comprising 20,000 Incorporated Associations, 200 cooperatives and 3600 registered charities (QCROSS 2006). State government grants and subsidies (including subsidies to for-profit organisations) totalled \$3.9 billion in 2006-07, with health and welfare grants amounting to \$983 million, or 11.9%, of the state budget expenditure (Queensland Government 2006: 120-121).

## 1.2 Methodology

### Survey development

The survey was developed by The Australian Centre for Philanthropy and Nonprofit Studies (CPNS) at Queensland University of Technology (QUT), in consultation with representatives from Aged Care Queensland, Meals on Wheels, Palliative Care Queensland, Queensland Aboriginal and Islander Health Forum, Queensland Alliance for Mental Health, Volunteering Queensland and Queensland Council of Social Services. A focus group was conducted to identify a series of 18 relevant governance topic areas:

- Strategy and Business Planning
- Financial Management
- Policy Development
- Organisational Monitoring
- Legal Compliance
- Risk Management
- Supervision and Support of the CEO
- Director/Committee Member Duties
- Meeting Processes (e.g. agenda preparation, minutes, papers, board calendars)



- External Board/MC communications (e.g. public relations, alliances etc.)
- Delegations to Management and Committees
- Working Relationships between Board/MC members
- Working Relationships between Managers and the Board/MC
- Recruitment and Retention of Board/MC members
- Chairing and leading the Board/MC
- Fundraising
- Understanding of the Organisation and Programs
- Evaluation of the Board/MC

For each of these items participants were asked to rate on a 5-point scale: (1) the current competence of their Board/MC; (2) the relevant importance of each topic; and (3) their level of interest in learning and development activities or materials for each topic. The survey also asked about the participants' organisation (e.g. number of full time employees, number of volunteers, total revenue, legal structure); governance arrangements; participant activities on Board/MC (e.g. role, time spent per month, remuneration, independence); methods of delivery for governance development activities; and participant demographics (age, gender, education, Equal Employment Opportunities [EEO] identification).

The survey was pilot tested with CPNS staff and industry members before being finalised and sent out to participating nonprofit organisations. The research received ethical approval from the Human Research Ethics Committee at QUT.

### **The sample**

A list of nonprofit organisations funded by Queensland Health, Department of Communities and Disability Services Queensland was compiled by each Department, resulting in a total of 835 organisations, some of which may receive funding from more than one of the named government Departments. A package containing a covering letter explaining the project, 10 surveys and 10 reply paid envelopes was sent to the senior employee at each nonprofit organisation who was asked to distribute the surveys to their board members or management committee members. Surveys were anonymous with no identifying information collected from individual participants. Each survey had a 'blind code' (assigned by an external research assistant) that was used only in order to identify when responses came from the same Board/MC. The research team involved in the project could not identify individual organisations or respondents.

### **Data analysis**

Data from the survey responses were entered into the software program, Statistical Package for the Social Sciences (SPSS). Various quantitative analyses were carried out to identify the nature of respondents and their organisations, as well as the training requirements of the organisations. Analyses were conducted separately for organisations funded by each of the government Departments and then a combined analysis was conducted. It is the combined data that forms the basis of this report.

## Section 2: Results

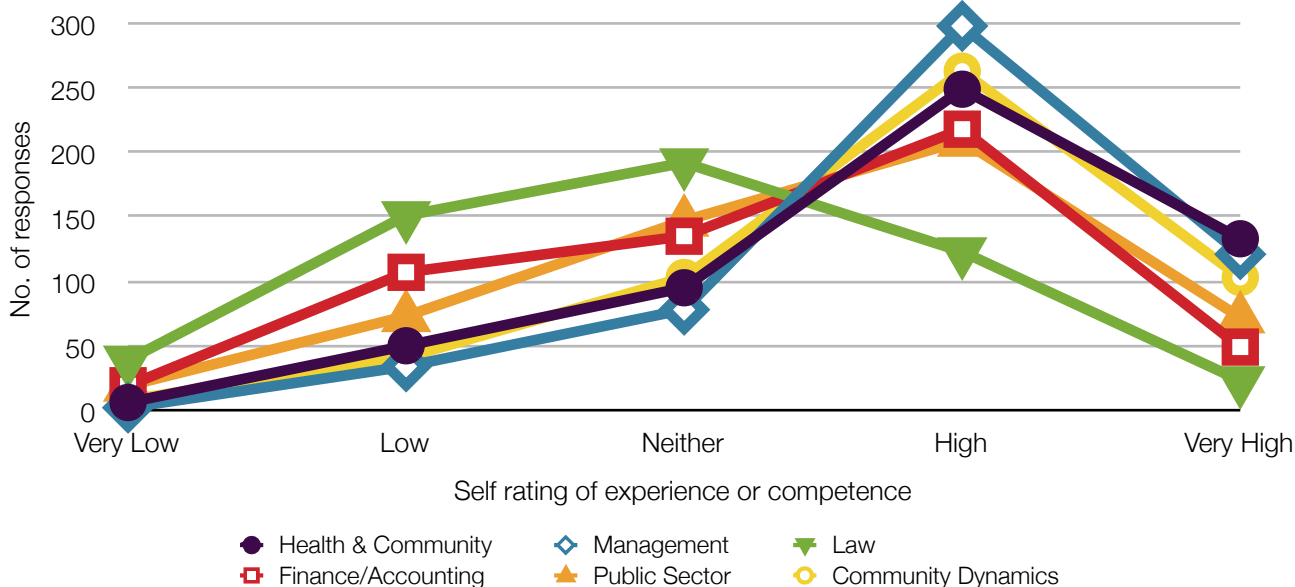
### 2.1 About the participants

A total of 565 individual responses were received. The majority of respondents (63%) were female and most were between 40 and 70 years of age (76%), with 50-59 being the most prevalent age group (31%). Most respondents (71%) had some post-secondary formal education with undergraduate being the most prevalent (27%). Only 11% of respondents identified with EEO categories.

There was significant variation in participant activities related to the Boards/MCs they served on. While just under half (47%) of the participants served on only the one Board/MC, 40% served on 1 or 2 others and less than 3% served on more than five. There was a wide range of Board/MC positions represented in the sample with the most common being Board/MC member (36%). There were also significant proportions of Presidents/Chairs (21%), CEOs (14%), Treasurers (10%) and Secretaries (9%). The majority of participants (91%) were not remunerated and 77% considered themselves independent from management. Given more than 20% of participants were either the CEO or staff, this indicates nearly all other participants considered themselves independent. Nearly half of all participants (44%) spend more than 10 hours per month on Board/MC activities, with some 18% spending more than a day a month on these activities.

**Figure 1** provides a comparison of participants' self-rating of experience and understanding across a range of salient domains or disciplines. Participants rated themselves most highly on Management (mean = 3.9), Health & Community (mean = 3.8) and Community Dynamics (mean = 3.8). Finance/Accounting (mean = 3.3) along with Public Sector (mean = 3.5) were in a slightly lower band of rating, while Law (mean = 2.9) was clearly the domain where fewer participants expressed high or very high levels of experience or understanding.

**Figure 1** - Participant self-rating of experience and understanding of six salient domains or disciplines



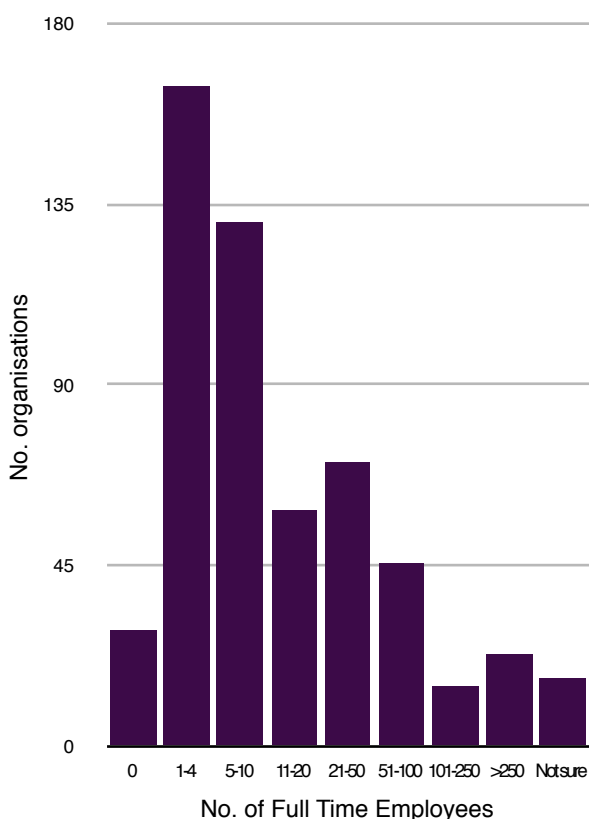
## 2.2 About the organisations

The organisations represented in the survey came from different locations across Queensland. Two-thirds of participants were either Brisbane (38%) or a major regional town (28%) and 45% of participants indicated their organisation provided services to remote or rural locations.

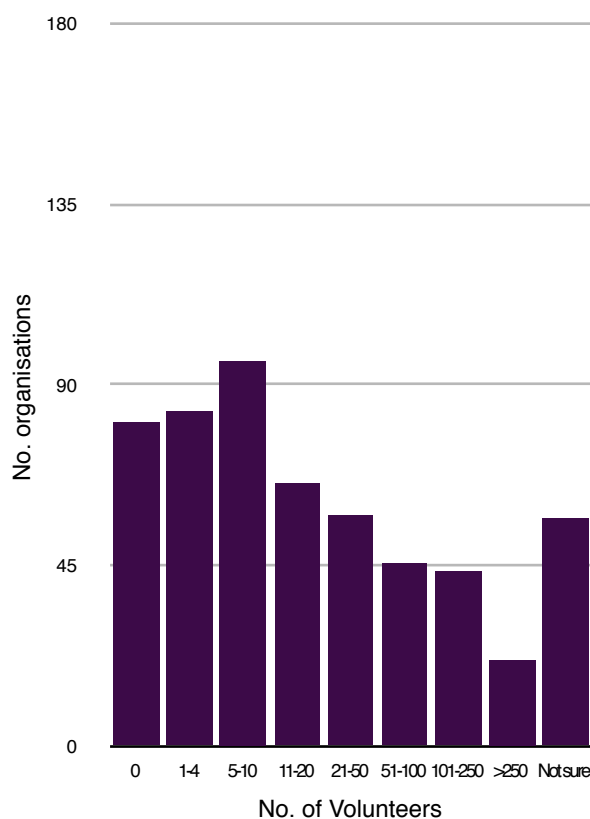
The organisations were diverse in terms of governance arrangements and organisation size. In terms of Board size, the mean was 8.2 and the median 8, indicating that Boards/MCs are on the large size, particularly when compared with for-profit organisations (e.g the average board size of a top 500 company in Australia is six-seven). Approximately 10% of the organisations had Boards/MCs with more than 10 members. Most board meetings (89%) last three hours or less, although six participants reported their board meetings lasting longer than eight hours. Seven percent of participants identified their Board/MC as indigenous and a clear majority (72%) felt that at least 50% of the board was independent from management.

In relation to organisation size, as **Figure 2** shows, nearly two-thirds of participants' organisations (58%) were reasonably small (i.e., less than 10 employees) with only 7% of responses from participants in organisations with more than 100 employees. Similarly, as shown in **Figure 3**, approximately half (47%) had 10 or less volunteers, another 22% had between 11 and 20 volunteers and 12% had over 100.

**Figure 2** Number of full time employees in your organisation

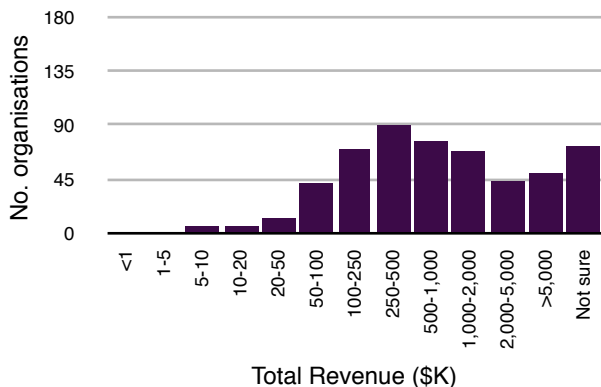


**Figure 3** Number of volunteers in your organisation

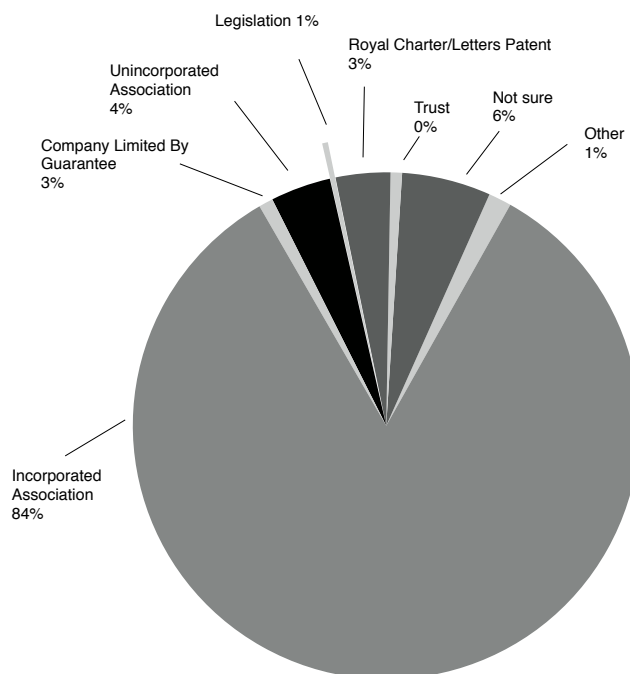


The wide variation in employee and volunteer numbers was also reflected in the total revenues of the organisations that responded (see **Figure 4**). Nearly one-third of respondents were from organisations with total revenues of more than \$1,000,000 and 42% from organisations with revenue less than \$500,000. **Figure 5** shows there was much less variability around legal structure, with 84% of participants' organisations Incorporated Associations.

**Figure 4 - Total revenue for your organisation**



**Figure 5 - Legal structure of your organisation**



### 2.3 Governance development issues

To identify which of the 18 governance topics Boards/MCs perceive as important and attractive for governance development training, participants were asked to rate on a 5 point scale from 0 (very low) to 5 (very high); (1) the current competence of their Board/MC in each topic area; (2) the level of importance of each topic; and (3) their level of interest in learning and development activities or materials for each topic. Finally, a composite rating was calculated to examine the difference between competence and importance and identify those topics where importance was rated higher than competence. Both the mean and one standard deviation either side of the mean response are considered in the interpretation to provide insight into the spread of opinion on a topic.

#### Competence

Overall, ratings of Board/MC competency were high with a range of mean ratings from 'medium' for Fundraising to 'high' for Meeting Processes. Fundraising, Strategy and Business Planning, External Board/MC communications, Evaluation of the Board/MC and Recruitment and Retention were rated as having the lowest level of competence while boards felt most competent in Meeting Processes, Working Relationships between Board/MC and management, and Working Relationships between Board/MC members. We observed higher variability in the response on Fundraising, indicating that people may think they have high competence or low competence in this area.

## Importance

There was very little variability in the responses regarding importance. All topics that were surveyed, with the exception of Fundraising, had a mean between 'high' and 'very high' in the rating. Thus, participants view all the categories as important. Issues of the Law and Finance were more commonly recognised as important, as indicated both by a higher mean and a smaller dispersion from the mean. To put this in perspective, more than two-thirds of participants would have rated Financial Management as important or higher and nearly the same amount would rate Compliance similarly. Fundraising again showed higher variability indicating a range of views across the respondents on this topic. The five most important topics as rated by the participants were Financial Management, Legal Compliance, Working Relationships (between the Board/MC and management), Risk Management and Strategy and Business Planning.

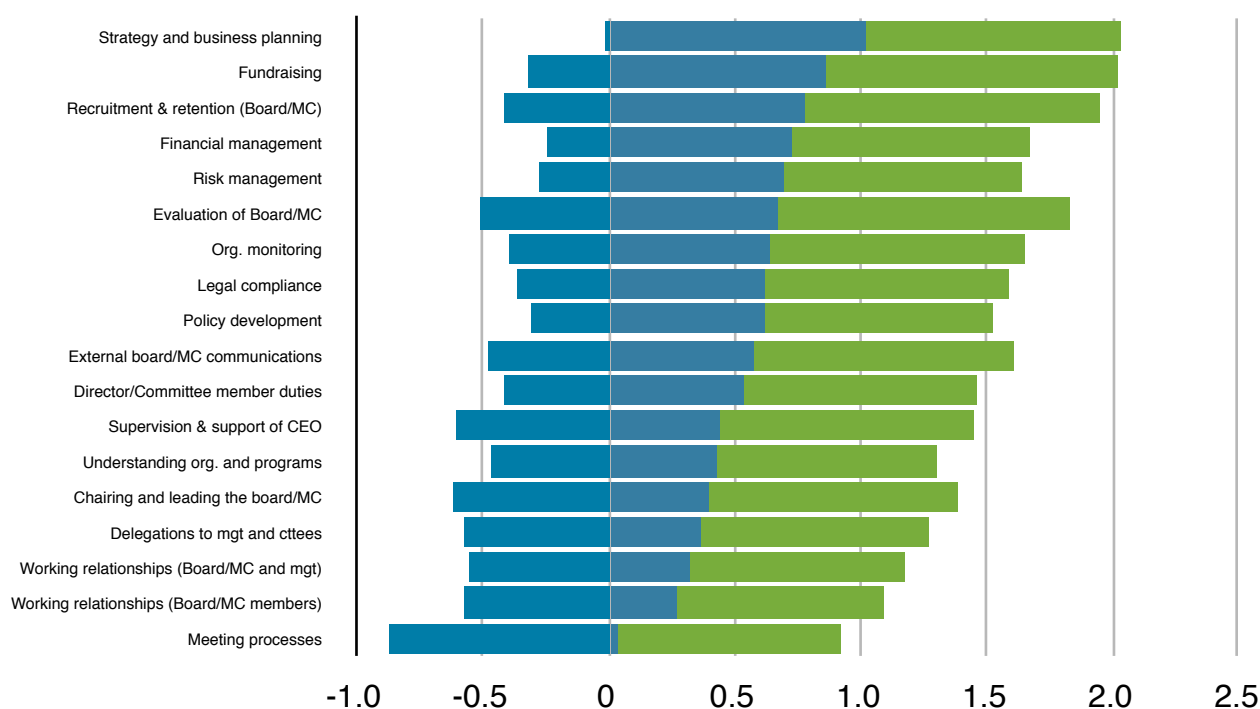
## Attractiveness for development

Participants identified the top five issues of interest for training as Risk Management, Legal Compliance, Strategy and Business Planning, Financial Management and Director/MC Member Duties. The top four issues of interest also appear in the top five issues of importance. Interestingly, Director/MC member duties was a top five issue of interest that appeared at the lower end of importance and mid-range in terms of current competence.

## Competence and importance

We examined the difference between competence and importance (i.e. the difference for each participant between their competence rating and the level of importance in the topic). As **Figure 6** shows, three of the top five topics are common to each, identified as both important and attractive. Strategy and Business Planning, Financial Management and Risk Management again appear to be important issues for Boards/MC but this importance is not reflected in the ratings of competence for each topic area. While Fundraising has the second largest differential, this must be read in light of previous findings and the high variability in this item; in short it indicates that it is very important for some but not others in the sample.

**Figure 6** - Difference in score between Importance and Competence



Overall, the data indicates that the following topics would be of most benefit for further development when the three dimensions of competence, importance and interest are considered:

- Strategy and Business Planning
- Financial Management
- Risk Management
- Legal Compliance

## 2.4 Methods of delivery

Participants were asked how and when they would like to receive governance development. Face-to-face delivery was the preferred mechanism while on-line materials (accessed individually), printed materials and whole board coaching also appeared to be relatively attractive. Telephone hookups were the least preferred (and probably non-viable) method. In terms of the timing of delivery, there was clear preference for weekday delivery of any governance materials although there was some interest in weeknight delivery particularly by participants from Disability Services Queensland funded organisations. We speculate that this may reflect greater involvement of community members in disability services compared to other organisations. It was evident that Boards/MCs would prefer programs that last between 2 hours and half a day with lower support for whole-day programs and little support for multiple day programs. Finally, there was a clear preference for in-house delivery followed by regional events. Events held in Brisbane were the least attractive option.

The overall results indicate that Boards/MC would prefer face-to-face delivery of development activities on weekdays. Sessions would be most attractive if they were between 2 hours and half a day in length and delivered in-house to the organisation. There is also quite good support for printed and online materials as well as regional events.

## Section 3: Discussion

This report is a useful starting point for policy makers and organisations wishing to develop the governance infrastructure of the nonprofit sector. In particular, the survey identifies key attributes of organisations funded by the Departments and some generalisations around their perceived governance needs.

The majority of organisations represented in this survey can be described as small in terms of staff with two-thirds having less than 10 full time employees and approximately half also having only 10 or fewer volunteers. However, over half of the organisations (58%) reported an annual turnover of more than \$500,000. Given that in Queensland it is estimated that four out of five Incorporated Associations have less than \$50,000 annual turnover (Office of Fair Trading 2005: 8) our sample appears to over-represent larger organisations. The Boards/MCs of these organisations had an average of 8.2 members, the majority of whom were women, were between 40 and 70 years of age, and well educated. Demographically this is consistent with data reported in two other studies of nonprofit directors in Queensland which found a majority of female directors, most between 35 and 65 years and most with tertiary qualifications (McDonald 1993; Wiseman 2003).

Another important consideration when interpreting this data is the large number of respondents who served on only one or two Boards/MCs. Potentially, these respondents gain limited exposure to governance requirements and alternative governance arrangements. Simply put, some respondents may not know what they don't know. Consequently, participants may have difficulty identifying their requisite governance development needs. In particular, participants may have underemphasised governance specific needs (e.g.

Director/Committee Member Duties) and overemphasised areas dealing with the operations of the organisation (e.g. Strategy and Business Planning).

In terms of topics for further development, the data revealed the greatest gaps between importance and competence in what could best be described as operational or organisational functions rather than strictly governance issues. Of the top five issues, four (Strategy and Business Planning, Fundraising, Financial Management and Risk Management) would best be classified as operational functions. The only governance specific topic to make the top five was Recruitment and Retention of Board/MC members. Thus, the data indicates Boards/MCs would benefit most from capacity building activities rather than governance development per se.

Some of these development areas are supported in the literature. For instance, Strategy and Business Planning emerged as the topic showing the largest gap between respondents' competence and the perceived importance for their board. In a study of 118 Australian nonprofit boards, strategic planning was rated the highest priority task of boards and strategic thinking was seen as a priority skill for effective directors (Steane and Christie 2000). Recruitment and Retention emerged as another key area of difference between importance and competence although was not high on the list of topics of interest. International and local data suggests this is one of the major challenges facing nonprofit organisations (see Hough, McGregor-Lowndes and Ryan 2006). Our own anecdotal experience of the sector would support the conclusion that Risk Management and Financial/Accounting issues weigh heavily on the sector given the increasing compliance and liability demands.

Fundraising is a more complex issue. The data revealed that this topic is the most heterogeneous in terms of importance, competence and attractiveness. This indicates that some organisations would value development in fundraising, while others would see little value.

### 3.1 Conclusions

The data indicates Boards/MCs would benefit most from capacity building activities rather than governance development per se. Thus, the appeal of Strategy and Business Planning, Financial Management, Risk Management and Legal Compliance is supported in ratings across all domains. We did not include Fundraising in this conclusion due to the high degree of variability in responses; it would appeal to some but not other Boards/MCs. In terms of governance specific development needs, there were areas (e.g. Retention and Recruitment of Board/MC members) with large competence-importance gaps but lower interest levels or higher interest but lower competence-importance gaps. Thus, our conclusions are based on the consistency of responses supporting whole-of-organisation issues that were evident across several domains in the survey.

A more speculative conclusion is that the data does not appropriately reflect governance development needs due to the possible limited exposure of participants to alternative governance arrangements. Just under half of all participants served on a single Board/MC and another 25% served on only one other board (i.e. approximately 75% of participants served on 1 or 2 boards/MCs). Other responses (e.g. 6% of respondents did not know the legal structure of their organisation) would indicate a lack of knowledge of some key areas of governance.

As for delivery of development activities, there is a clear preference for face-to-face, in-house techniques lasting for no more than half a day. There was also moderate support for printed and on-line materials. Thus, it would be useful to consider combining contact-based development activities supplemented with interactive on-line materials and printed information.



In terms of differences between participant groupings, the major effect of interest was that CEOs/senior staff generally rated their Boards'/MCs' competence around topics lower than the participants drawn from the Boards/MCs. This appears to reflect the natural tendency for people to rate their performance higher than an external observer. This indicates an important limitation of the data (see 3.2).

### **3.2 Limitations**

A key limitation of this report is that the data is based on self-reports. There are no objective or external assessment data that inform our conclusions. Thus, if there are boards or participants who 'don't know what they don't know', the data may under represent these areas. Based on general, known human behaviour, Board/MC members are also likely to over-rate their own performance. Second, while we have no reason to suspect non-response bias, there was not systemic investigation of non-respondents. This may mean our data reflects a class of organisation and participant who is more likely to participate in the survey (e.g. organisations who have strong relationships with the departments may feel more obliged to respond than those who don't).

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## Appendix A: Differences between participant groups<sup>1</sup>

In addition to understanding general trends about the attractiveness for development, importance and competence levels in the topics, we also ran some 324 ANOVA analyses to examine differences in responses based on the participant's:

- Position (i.e. CEO, Board/MC Member/Staff Member/President/Treasurer/Secretary/Other)
- Gender (i.e. Female/Male)
- Highest completed education (i.e. Primary/Junior/Senior/Trade/Undergraduate/Postgraduate);
- Age (20-49; 50-59; 60-69; 70<);
- Independence from staff/management (Yes/No); and
- Paid (Yes/No).

The general conclusions of this analysis revealed few strong trends. There was, however, some evidence that:

- CEOs generally rated their board lower in terms of competence than did participants in other positions;
- While there was no general pattern of results based on gender, any differences for topics involved female participants rating things as more important or attractive as development opportunities than males;
- Participants with more formal education were more likely to rate their boards lower in terms of competence and those with less formal education were likely to find aspects of development more attractive than participants with more formal education;
- Younger participants appear to rate the competence of their boards lower than older participants; and
- There was no general pattern of differences based on either independence status nor paid status.

Unless otherwise specified, differences are based on 0.05 significance levels.

### Differences between responses based on position

While there were no differences in responses about attractive development areas based on a participant's position (i.e. CEO, Board Member, Staff Member, President, Treasurer, Secretary or Other) there were a number of differences in terms of ratings of importance and competence. In general, CEOs rated their boards lower in terms of competence than did other participants in one-third of all topics.

Board members and Presidents rated the importance of "Supervision and support of the CEO" higher than did Treasurers. CEOs rated boards as less competent in this arena than all other participant groups (Board Members, Staff, Presidents and Treasurers).

Treasurers also rated "Board processes" as less important than did Board Members but there were no significant differences in terms of ratings of competence.

Both CEOs and Treasurers rated the "External communications function of the Board/MC" as less important than did Board Members. CEOs also rated the board/MC as lower in competence than board/MC Members.

Board/MC members rated "Fundraising" as more important than did CEOs. CEOs also rated the competence of their boards/MCs in "Fundraising" as lower than board/MC members, Staff and Presidents did.

Finally, in terms of competence, there was a consistent pattern of CEOs rating their boards/MCs lower than did other participants. CEOs rated their boards/MCs lower in "Supervision and support of the CEO", "Risk Management", "External Board/MC Communications"; "Fundraising"; "Understanding of the organisation and programs" and "Evaluation of the Board/MC".

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<sup>1</sup> This is not an exhaustive listing of differences, but rather provides an overview of the key trends in the data.

## **Differences in responses based on gender**

There was no general pattern of any topic being rated differently based on gender. Of interest, any individual differences saw female participants rating things as more important or attractive as development opportunities than males. Specifically, female participants rated the attractiveness of training in Risk Management and handling Delegations higher than did the male participants. They also rated the topics Policy Development, Meeting Processes, Chairing/leading the Board/MC, and Understanding the Organisation and its Programs as more important than did male participants.

## **Differences in responses based on formal education**

Results indicate no firm conclusions in differences based on formal education, but there were some general patterns of results. First, those with more formal education were more likely to rate their boards lower in terms of competence and those with less formal education were likely to find aspects of development more attractive than participants with more formal education. There were no differences in opinion as to the importance of topics.

In terms of competence, participants educated to the undergraduate and postgraduate level rated the competence of their boards lower across a range of dimensions. They rated the competence of the board in “risk management” lower than did participants educated to a junior level, and “supervision of the CEO” lower than participants educated to the senior level. They also rated the competence of the board in “evaluation of the board/MC” lower than both participants educated to either junior or senior level. Participants educated to postgraduate, undergraduate or trades level rated competence in “Fundraising” as lower participants educated to a primary level. Finally, undergraduates rated their boards lower in competence on “Communicating with external stakeholders” than participants educated to both the junior and senior levels.

There were no significant differences in ratings around the importance of topics based on formal education.

As to areas that were attractive for further development, the general pattern appears to be that those with less formal education were more likely to find some areas of more interest in terms of development activities. For instance, participants educated to a primary level found legal compliance less attractive than participants educated to a trades or postgraduate level. Those educated to a junior level thought that Meeting Processes would be more attractive than those educated to a postgraduate level. They also thought Working Relationships within the board/MC and Working Relationships with the Management Team would be more attractive than did participants with (undergraduate or postgraduate) education and (trades and postgraduate) educations respectively.

## **Differences in responses based on age**

Differences based on age were more complex, but there were a several clear trends.

First, there was no difference in any age groups as to the attractiveness of training in any topics.

Second, there was little consistency in importance differences across the topics. That said, participants over 70 rated strategy as less important than those under 50, and participants over 70 rated financial management as less important than those in the 60-69 age bracket. In contrast those over 70 rated meeting process as more important than those participants 50-59, and those over 60 rated external communications as more important than 50-59 year olds.

Third, there was a clear pattern of results that indicates younger participants appear to rate the competence of their boards lower than older participants. This pattern was evident in the topics of Strategy and business planning, Financial Management, Policy Development, Organisational Monitoring, Legal Compliance, Risk Management, Supervision and Support of the CEO, Meeting Process, External communications, Working

Relationships between the Board/MC members, Board/MC recruitment and retention, Chairing and leading the board/MC, Fundraising, Evaluation of the Board/MC.

### **Differences in responses based on independence**

Participants who did not identify as independent rated development activities in Delegations to management and committees as more attractive than did independent participants. In terms of importance, participants identifying as independent from management rated Organisational monitoring as more important than did their non-independent participants while non-independent participants rated Fundraising as more important than did their independent counterparts. Finally, independent participants rated their boards' competence in Risk Management and Fundraising as lower than did non-independent participants.

### **Differences in responses based on paid status**

There was no general pattern of differences in the responses between paid and unpaid participants. Participants who were paid for their governance role (paid participants) rated the attractiveness of development in Fundraising lower than did the non-paid participants. Paid participants rated the importance of Organisational Monitoring as higher than did their non-paid counterparts, while the non-paid participants rated the importance of Understanding the organisation and programs as higher than did the paid participants. Finally, non-paid participants rated their board's competence in Risk Management and Fundraising as higher than did paid participants.