RACP BOARD
COMMUNICATIONS STRATEGY

September 2012

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Communications Strategy

1. Background

The role of the RACP Board is to govern the College and to promote the College's interests in the pursuit of its objectives. The Board does this by setting strategic direction and context and focusing on issues critical to the College's success. The RACP Board Charter clearly sets out the responsibility of the Board for strategy and planning. The Charter also clearly sets out the responsibilities for the Board in financial reporting and auditing, performance monitoring, risk management and compliance, capital management and Board process and policies.

The RACP Board has a crucial role to play in communicating with key stakeholders. Good corporate governance is about performance as well as conformance. The strategic direction and objectives of the College are driven by an effective vision, mission and organizational values that communicate clearly where the organisation is, where it wants to be, and how it will achieve its desired aims.

2. Purpose

A Board Communication Strategy can help ensure that there is consistency in how the Board communicates internally and externally. This is essential for managing change and for improved communication and engagement with the Fellowship. The Board may be better suited to communicate messages on these issues to both the employees and the Fellowship. It is often not appropriate or effective for management to convey these messages to the organisation, especially to the Fellowship. In this way the Board can clearly articulate the impact of the changing role of the Board within the College and in governance practice and how it will impact on the organisation. A specific Board Communication Strategy will clearly set out what the new arrangements will be and how they will work, especially with regard to the role of the CEO and the senior management of the College.

Communication from the Board, both formal and informal, can play a crucial role in facilitating understanding and coordination within organisations and to harmonise and leverage the communication by the organisation both internally and externally. At present, many important strategic messages are conveyed by management, such as those around change, without supporting or corresponding communication from the Board, beyond the limited scope and capacity of the present Board Communique. In addition, much of the communication is informal, which presents difficulties within the organisation as to who receives what information, from whom and when. The focus of Board communication should be on the entire organisation, including the Fellows of the College, as unlike in most organisations where the CEO has a clear delegated authority and recognised responsibility for managing the affairs of the organisation, in the College Fellows are the volunteers, customers, suppliers and 'owners' of the organisation, with many of them operationally involved in the business and in leadership positions outside of the Board.

This is a somewhat unique arrangement, even for a professional association or not-for-profit organisation that requires a tailored approach to the specific needs, structures and functions of the College. The Board is largely comprised of Fellows, with a specific and limited number of community Directors and as such the Board not only has ultimate responsibility for representing the interests of the Fellowship, it has the implicit or implied responsibility for leadership in the

Fellowship and often for managing what are referred to as a 'Fellow matter' that may not always be appropriate for delegation to the CEO. It is these issues, primarily those that may be perceived as putting the CEO and management in a difficult position that are the responsibility of the Board as the most senior Fellows in the College. However, any and all Board communication must be on a 'no surprises' basis and must always involve the CEO and management. In this way the Board can 'square the circle' by having more direct accountability for its broader array of responsibilities without undermining the CEO and getting non-executive Boards involved in the operations and management of the organisation.

In summary, all communication from the Board to the organisation, including the Fellowship must involve the CEO, lest there arise any confusion within the organisation from mixed messaging or limited distribution, as well as the need to maintain the independence of the CEO for the day-to-management of the operations of the College and to avoid the Board becoming embroiled in those activities.

3.   Key Communication Objectives

With good corporate governance requiring leadership in performance as well as conformance, the communication objectives set out in the RACP Board Communication Strategy will assist the organisation in fulfilling the strategic aspirations of the Board and in meeting the strategic objectives set out in the Statement of Strategic Direction and business plans.

The communication objectives designed to achieve these aims include:

3.1   Strategic Direction and Objectives
The Board has a responsibility to guide the organisation towards the fulfillment of its organisational objectives or purpose by setting an appropriate strategic direction; and assessing whether the organisation's resources and organisational culture are aligned to achieve those objectives or that purpose. Through effective communication and appropriate communications, the Board can help ensure that the organisation is aligned with the strategic direction and objectives of the Statement of Strategic Direction and business plans. This can encourage everybody involved with the operations of the College to align their activities with the strategy and to work with their colleagues, and even other stakeholders, to support the strategic direction of the organisation.

3.2   Risk Management
The Board has ultimate accountability in the College for management of major risks to which the College is, or is likely to be, exposed in the achievement of its strategic plans and objectives. Through effective risk management strategies, resources, structures, and processes, the College can manage risk, including financial and business risk, risk to the College's brand, image, and reputation, as well as ensuring compliance with its statutory and regulatory obligations. An effective communication strategy is needed to assist in the implementation of risk management strategies at the College. However, perhaps most crucially, the Board and management need to ensure that the College not only effectively manages and treats risk but that it is an organisation where College Staff and other College Bodies can raise risk issues.

3.3 Reputation Management

Failure to consider the reasonable expectations of stakeholders can threaten a company's reputation and the success of its business operations. Through effective communication the Board can help protect and enhance the intangible assets particularly the brand and reputation of the organisation. Directors can help foster a culture of respect for all the organisation's stakeholders, in order to promote and maintain the organisation's integrity and reputation.

3.4 Organisational Performance

In its leadership role the Board can clearly articulate what sort of organisation is required to meet the expectations of the strategic aspirations of the Board. The Board can communicate to key stakeholders where the organisation is, where it wants to be, and how it will achieve its desired aims. A key desire for the organisation is to become more agile, with improved responsiveness to challenges. Improved communication can help develop an organisation with clearly defined roles, accountabilities and adaptive governance.

3.5 Stakeholder Relations

Within reasonable commercial and confidentiality constraints the Board can ensure that it and the entire organisation communicates honestly and openly with key internal and external stakeholders. Successful stakeholder engagement requires a commitment to actively engage with stakeholders, listen to them, build a relationship with them and then respond to their concerns in a mutually beneficial way.

Engagement is not an end in itself, but a means to help build better relationships with the constituencies in which the Board and the organisation operates, ultimately resulting in improved planning and performance. While we communicate internally to some extent, formal communication with external stakeholders is on an ad hoc basis. We do communicate formally with external stakeholders through the Australian Securities and Investment Commission ("ASIC") requirements for things such as annual reports and an Annual General Meeting ("AGM"). This is also the difference between conformance and performance communication, as while we don't have market disclosure requirements, we still have reporting requirements but we don't communicate as formally on performance issues, to either internal or external stakeholders.

3.6 Culture and Climate

The Board plays a crucial role in the development of the culture and the behaviors of the organisation in both its actions and its directions. In the case of the former, the Board must lead by example in how Directors honor and observe any codes, guides, policies and procedures; but for the latter, it must ensure that the appropriate culture is being developed and that the organisational values and behaviors are aligned with the corporate strategic direction. Directors and Boards should seek to foster a culture which promotes appropriate values, this includes how they and the organisation effectively promote, assure, honor and observe the desired culture of the organization.

3.7 Healthy and Harmonious Workplace

Beyond the compliance requirements of its duty of care and workplace health and safety obligations, the Board can promote a healthy and harmonious workplace through the culture and climate of the organisation and the necessary codes, guides, policies and procedures required to support it. Employees feel more connected and committed to the organisation when they share a common vision and set of core business values and engaged employees are more likely to perform better at day-to-day job tasks, exert discretionary effort, and are less likely to leave.

4.   Communication Strategies

The RACP Board Communication Strategy has identified the following channels that are available to the Board in meeting its communication aims and objectives:

4.1   Board Meetings

4.1.1   Board Papers
Board Papers are limited to the issues covered by the issues on the agenda and are only available to those attending Board meetings. They are critical to decision making and operational performance but are not suitable for message delivery. They are also confidential documents that cannot be circulated for operational follow through on decisions. Communication as operational or business communication, as opposed to dissemination and promulgation may require specific communication support plans or a communication template for tasking and structuring follow-up or actioning of Board decisions.

4.1.2   President's Communiqué
The message from the President following each Board meeting outlines to the organisation and its key stakeholders what were the key items for discussion but once again this is limited to providing a summary of what was discussed and once again they are not suitable for message delivery.

4.1.3   Guidance Notes
These can be specific notes, summarising the intent of a Board decision and the expectations of the Board for the operationalisation of the Board decision. These should be drafted in advance and must accompany the Board Paper and be suitable for distribution to those involved in the decision and taking the issue forward.   They   are   a   useful   tool   for management but once again they are not suitable for message delivery.

4.1.4   Board Statements
Similar to statements made by the Board to the market, these statements would give direction around major issues or activities given priority by the Board. Unlike the Strategic Statements [5], these would relate to specific Board meetings and could be issued prior to meetings to ensure greater transparency and awareness of major issues and developments for the Fellowship.

4.2   Annual General Meeting
The AGM provides a limited opportunity for the President and the Board to communicate directly with the membership but due to the limited occurrence of the AGM they are limited in their suitable for message delivery.

4.3   Annual Report
The Annual Report provides a limited opportunity for the President, the Honorary Treasurer and the Board to communicate directly with the membership but due to their distribution towards the end of the year and financial focus they are limited in their suitable for message delivery.

4.4   Annual Corporate Plan
In addition to the Annual Report, the College could develop an annual Corporate Plan that would set out the strategic direction and priorities of the organisation and it would allow the Board to communicate directly to key stakeholders. The only limitations are that it is an external document that would be issued at the start of each year, limiting its suitability for targeted messages, especially internal communications and the responsiveness of the messages. This would be in addition to the Annual College Plan and Annual Financial Plan, which are internal documents.

4.5   Strategic Statements
The Board from time to time could issue Strategic Statements on issues that are critical to the operations of the College. The benefit of these is that they can be responsive and targeted to the organisation, allowing the Board to deliver its messages directly and when required or as determined by the Board.

4.6   Media Statements
The Board can at any time issue a media or public statement but these are obviously on the public record and not usually suitable for internal audiences or to promote the efficient operations of the organisation. The Board Communication Plan will need to develop templates for each of these to ensure consistency but also to assist in the timely preparation and dissemination of materials. Ideally drafts of major statements will be prepared for consideration at Board or Board Executive meetings, but these may need to be approved by circular resolution or delegation by the Board.

Approved by the Board of the College on the 13th day of September 2012.