# Take on Board

Transcript – Nicole Pero

Helga Svendsen 0:00

Today on the take on board podcast, I'm speaking with Nicola Pero about board obligations in considering climate risk, and the balance of operational versus strategic in times of crisis. As Nicola is a Gippslander and a board member of Destination Gippsland and Food and Fibre Gippsland, I know that she will have a lot to share with us about recent times being in a crisis gips lions been at the center of one of the devastating bushfires in Australia at the moment and the impact on both the tourism industry and agriculture will be enormous. I can't wait to get into the discussion today. Welcome to the take on board podcast Nicola.

Nicola Pero 0:35

Thank you very much. It seems to certainly be timely.

Helga Svendsen 0:39

Yes. So firstly, let me just give you a bit of background about Nicola. As I mentioned, she's on the boards of Food and fibre Gippsland, Destination Gippsland and Federation University Australia Council, and she was formerly on the business curriculum Advisory Board of Bahrain Polytechnic. If we've got time might hear a little about her being a CEO in the Middle East. with previous private public not for profit and government experience Nicola has a comprehensive background in stakeholder management. Her global expertise comes from leadership roles in Australia, Grace, Canada, USA, Qatar and Bahrain. And her experience has been growing through experience in public venues, Greenfield developments, events, local government, economic and tourism development. So I know she's going to have an enormous amount to share with us today. So firstly, as I mentioned, you're from Gippsland. It's been at the center of one of the major bushfires. So I'm pretty sure you've had a tough couple of weeks. How are you?

Nicola Pero 1:41

Look, I'm well, I think, everyone, whether you're directly impacted or indirectly impacted, there's very much a sense of communities knitting together. Certainly a great deal of empathy and caring, sharing the journey. It's a long journey. bushfires are a long journey and Gippsland has. This isn't our first rodeo if I could say it that way, we've suffered from drought like many parts of Australia in the past few years. So I think we feel we're rolling with the punches very much. So now,

Helga Svendsen 2:16

All of the Gippslanders that I know whether they're close or far, unfortunately, you're not too close to the fires, although you are a good slander. So you are a closer than I am. I feel the effects and getting in and doing stuff and these words around community I'm hearing a lot. So that is the only silver lining I think on some of these events. Yes. Tell me, is there something in particular maybe that you're proud of from the last month or so?

Nicola Pero 2:39

Look, a couple of things I think I was. I felt very flattered to have been invited to consider the opportunity of being a ministerial appointee to Federation University Australia's Council. So after property checks and that sort of thing that was all completed just part prior Christmas and approved. I feel very proud to be representing guidance. In the education sector, such as that, and the second one is I set on a smaller subcommittee within Destination Gippsland. And over the period of probably eight to 10 months, we've worked with consultants to develop what's called the DMP, the destination management plan, which is really a roadmap and strategic goal setting, you know, over the next 10 years, so that was recently completed and released to the market to great accolades at state government level and also, you know, with another regional tourism body, so, pretty proud of what we've produced in that regard. And of course, given the fire activity here that will also come into its own because, of course, part of crises like fires or droughts is looking into how to put stimulus back into the market in an economic development since we're ready to go with a great deal of work already having been done on what you would call almost shovel ready projects.

Helga Svendsen 3:59

Could you just tell us Destination Gippsland, Food and fibre Gippsland, can you give us the nutshell of what those organizations are about. And then I'm wanting to get into some of those boardroom conversations.

Nicola Pero 4:09

Food and fibre Gippsland was the amalgamation of two not for profits. So that was a Gippsland Food cluster and agri business Gippsland. Gippsland, and as you might know, is an enormously large region. And so it's very important, you know, within that region, we have six shots, so six councils. So we have multiple voices within the region. So wherever possible, it's great to look at collaborative opportunities in order to unite those voices and therefore have a better representation and advocacy, you know, externally to government and that sort of thing. So we recently completed the amalgamation when I say recently that was completed earlier last year, and is now well and truly operating as a you know, a united body just mentioned gets land is the regional tourism body for the gips land region. So again, A very large region to navigate and represent the you know what tourism looks like moving forward. They're both extremely important industry sectors for gifts and obviously being such a large region. Tourism is important. It's also complex just because of those six shots and the diversity of tourism that's available here. Food and Fibre. Some people may not realize but Gippsland produces just a little under 50% of Victoria's Food and Fibre. So climate aspects such as droughts, the ravaging impact of these recent bushfires, and also bushfires that occurred last year, and in previous years, they have an enormous impact on the Food and Fibre sector. And that has a domino and a flow on effect right back through to city dining room tables, as many people are now reading this week in the media with you know, projected Food price increases. So they're both very important sectors and are both sectors that I feel extremely proud About in regards to growth, best practice and good governance.

Helga Svendsen 6:06

Let's delve into some of that a little bit, then. Obviously the bushfires recently, whilst we've heard it said often they are unprecedented, they probably were predictable. Climate scientists have been telling us for some time that obviously the atmosphere is warming and that that will have effects such as these. And I think you'd said the board has considered some of these things, both for destination land and for Food and Fibre. So I'm wondering if you can give us a bit of an insight into some of those boardroom conversations to prepare for something like this for either of those organizations?

Nicola Pero 6:37

Absolutely. Well, look, it gets quite murky, I think for boards because you start to fall into the what are we looking at? Are we looking at a crisis? Are we looking at impact? Are we looking at risks because at the moment, we all say climate change, and everybody has a different view as to what that might be. But certainly with regards to boards and their approach to I tend to prefer to address climate risk. Once you have assessed what that risk is, then you fall into what would be your normal crisis management response, recovery, management, that sort of thing. I mean, look, most of our listeners today will be aware of a couple of years ago, the Hartley opinion. And that found in the courts that the courts would likely view now and ongoing in the future, that climate change risks are foreseeable business risks, that clearly places the obligation back on all of us that operators or directors, in regard to, I guess, looking at the relevancy of that and what the impact might be in regards to your obligations of due care. And, you know, especially in relation to governance, risk and corporate strategies, so it's not really so much I think about considering the crisis associated to climate risk, but considering the impact exposure that your business might have, and that's where the challenge comes into it because I don't really think that there's necessarily an easy book to write about this because the impact potential to each and every business vary so hugely, but the fact that you have it on your agenda, and you're thinking about what might impact be for our organization, that squarely the obligation of board directors now and I'm not sure that enough companies are addressing it in a regular enough fashion, certainly it destination gets there. And I think that we are experienced in checking in and assessing this area on a regular basis. And a lot of that has got to do with what we're already experiencing. You know, we've had several years of drought. So you know, we've had bushfires before, we've now had the recent and ongoing bushfires. So we're comfortable in looking at where the exposures and potential impact might be for the organization in that regard, and also the broader industry so that we can help counsel and consult

Helga Svendsen 9:00

So I'm particularly interested in hearing about Destination Gippsland as an outsider as a non Gippslander. What I've been hearing is that was Gippsland has been incredibly impacted by the fires, other parts of Gippsland. The tourism industry in particular, and this is our peak period over the Australian summer. Other parts of Gippsland are also impacted. In terms of tourism, people just not going buggers. Gippsland fires, we can't go there. So I'm wondering what the conversations of the board have been over the last couple of weeks around these things.

Nicola Pero 9:32

For us, it's really about multi layered messaging and multi layered obligations. You're so right Gippsland is such an enormous region and where I am, yes, there's smoke currently, but I'm located an hour and a half, two hours away. You can drive for four and a half hours pretty much from one end of Gippsland to the other. So the messaging becomes very important because now we have industry businesses that are directly impacted by the current fires. Those that are indirectly impacted. And of course, that takes you into a complicated pathway of aspects such as business continuity insurance, for example, you know, if you're not directly impacted by the fires, but because of those fires, it's impacted the visitor attendance and therefore the visitor economy, you're very much economically impacted by these fires, not so much necessarily seen by the insurance world. So they are all the challenges to help work through as a body that represents within the industry.

Helga Svendsen 10:36

And so Destination Gippsland is like the umbrella organization and supporting organizations in some of those conversations?

Nicola Pero 10:45

Absolutely, it is. We're also the primary representative voice to connect with governments. So of course, we're working very closely with state representation of the Victoria, Victoria tourism industry Council, all of those bodies because everybody has a piece to play but it's really Important that messaging is aligned. And of course, our challenge with Destination Gippsland is to be able to navigate in the best interest of multiple parties, you have to be cautious about calling people back into areas too quickly when there's quite intense smoke impacts, you know, I'm in Melbourne, Melbourne people are feeling very much directly the effects of smoke at the moment. And but there are still many, many places across gets land that are not impacted that is still beautiful to visit. So, the call to action for people to understand the complexities of the region by way of size and therefore diversity and therefore options of different places to go for a short period, you know, while a skip slanders addressing the response period and then moves from response quickly into recovery actions

Helga Svendsen 11:51

During this period. So the last month or so in particular, I guess, Gippsland I've been the fires have been burning for longer than that, but the last month or so in particular has been quite challenging. Often when there is an event like this, the board gets their fingers in a little bit more and sometimes that is entirely appropriate. from your experience of the last month or so, what has been that balance between what the board does, what management does and maintaining that right balance or even how that line has moved during events like this? What are your insights there from the organizations that you're involved in?

Nicola Pero 12:28

It's Look, it's always tricky. Crisis disasters, heightened moments in business such as this. board members, I think are often in undated with catch expert advice. And I think we would probably all agree that suddenly we have a nation of social media couch experts on fires and why they're caused and how they're caused and how they should be dealt with. And so as a board member it during times like that every friend or family or colleague, they want to their opinion, they want to share, they want to know what you're doing. So these are all answers, which generally are operational in nature. But you also don't want to be an uninformed board representative. You know, part of the role of every board director is to be a positive ambassador for the organization that they're representing. So there are most of times for sure, and the ones where everyone seeks to contribute. So I think that more than any other time this is so important for boards to be able to understand their role and to allow management to do their job at a time when their full attention to their job is required. At the same time, boards need to be kept informed and briefed by management. Ideally, that needs to go through the chair no CEO wants to be having for 711 calls, during busy days of focus like this going on, what's the latest What's going on? So channelling all of that through the chair and of course, that places I think additional obligations on a chair rising to the occasion, such as these times. But I think probably a reflective moment is always for board directors to look at themselves and go, am I remaining in the helicopter? Because my job is to be in the helicopter right now the job of the management team is to be boots on the ground, very clearly responding and developing plans. So what's the role of the board? Well, the board, as I said, is to remain in the helicopter to be thinking about risk exposure, risk management, so looking at legal financial, reputational welfare of staff, so checking in and, and assessing your resources at these times, making sure that you're trying to plan ahead, give them management, the very best support and structure they can to accelerate their jobs right now, clear governance, I think in the face of emergent circumstances is the absolute priority of a board. boards just can't be attempting to row the boat during challenging times of crisis or I think it all starts to fall apart quite quickly.

Helga Svendsen 14:59

So I want drawn to things he said there. Firstly, the role of the chair. So I'm wondering if you can just share with us as much as you can. Let's choose one of those organizations. for argument's sake, destination gets planned. How's the role of the chair of that organization over the last month or so? How has it changed a lot? How have you seen that role come to life in recent times?

Nicola Pero 15:23

Well, it's certainly changed in many respects. But at the end of last year, our previous chair Clare Methurst, came to the end of her tenure, and she's pursuing personal projects at the moment, writing new books. And so we have a new chair, Nick Murray. Next, certainly very experienced, but he's new in the role of the chair. So absolutely in the chair of this organization, so absolutely no, Ill worded pun intended, but certainly as a baptism of fire for him. So he's kind of coming.

Helga Svendsen 15:53

Sorry. When did he step into the chair role?

Nicola Pero 15:55

He's just come into the role. He said he was been he's been a board director. He moved into the role of chair middle of end of November last year (2019) during the Christmas period and here we are. Nick is confident, he's engaged. He's certainly very well connected politically etc. Nick also lives in East Gippsland. So he's very much directly exposed to and impacted by what's going on, you know, with the fires currently. But certainly he's been very busy. It's a lot of time because you need to check in with other directors, you need to be formulation, that feedback you need to be making sure that you're putting forward not just your view as a chair, but the general consensus of the board. People are away still on vacation. So collating and collecting. Those views are important. We just had an extraordinary board meeting yesterday actually in Sale. And that was more just as a follow up to phone calls and engagement with a priority focus on looking at our staff welfare, assessing our resources, briefing board members on exactly where We're up to the CEO being able to provide the board members with current action plans and proposed action plans, briefings from our other stakeholders. We have observers on the board that have representatives from LGN, the Local Gippsland Government network, from Parks Victoria, from Visit Victoria from regional development, Victoria. So it was a great opportunity for all of us to be brought up to speed from those agencies on where things are up to and what the challenges you know, might be moving forward. Because I guess if you're living in Gippsland or you're not generally close to fire seasons and things like that, we're all very much aware. This is really just the start of what is normally the bushfire season. Now we had a huge storm, a huge storm and horrible last night lots and lots of beautiful, beautiful rainfall. But I was checking the social media feeds this morning and I see you know, across it Painesville and Bairnsdale, they got like 50 drops So it won't helped them a great deal at the moment, unfortunately.

Helga Svendsen 18:05

Right. Yes, I was thinking exactly the same as the rain was coming down here. I was hoping it was reaching is planned. But it sounds like not much of it did.

Nicola Pero 18:13

No. And so of course, this is a period of resilience. You know, this is not a case of without all these files, and now it's over. And now we've got to just march for because it's, it's finished. We definitely hope it is finished. But there's still a long way to go to get to the end of summer. That board meeting your head

Helga Svendsen 18:31

Just yesterday, and we're bringing in a whole lot of other people is part of by the sounds of things that way of keeping everybody informed and keeping everybody up to date on what's going on. And chair role, wow, what an interesting time to come into the chair role.

Nicola Pero 18:44

Absolutely. Look, it look it's very much a two way channel of information for sure. But it's also you know, for so many reasons or one because obviously everybody wants to be kept up speed to you need to ensure that messaging is consistent. All aligned. So if you leave people disconnected, people do their best to fill in the gaps. We just want to make sure that our board are not filling in gaps, they are informed. So there aren't any gaps. We have a very mature board and a very diverse board. But managing through crisis response is not something that we're facing for the first time.

Helga Svendsen 19:21

And in fact, one of the other things you mentioned earlier about the crisis response is also that support of staff and the support of the CEO. So I'm just wondering if you can share, share with us some of the things that that looks like as well as advice to other boards, you might experience similar events. What does that support look like both to the staff and to the CEO during these periods?

Nicola Pero 19:44

Certainly a welfare check in via the CEO because obviously, it's the CEOs, their management team. So checking in on their welfare, but also from the board's perspective looking at do we feel that there are sufficient resources because obviously crosses, you've got to be very careful that you don't just risk dropping day to day business obligations in order to respond to a crises, ongoing day to day business obligations have to continue. So you are asking existing staff to not only take on extra workload and manage parallel focuses, but also deal with all of the management team. They have friends, family colleagues, themselves that are directly impacted by these bushfires, they live in some of these areas. So the additional stress that comes with all of this is something that boards have to be acutely aware with it's, it's emotional, it's very time expected. So making sure that the CEO feels comfortable that staff are not just committed, but they're on top of what they need to be on top of. And then you need to address Okay, what are the crisis related resources that we need to look at right now? Now, in order to help bolster the efforts of the staff, and also to avoid that day to day business focus being pushed to one side.

Helga Svendsen 21:10

Yes, yeah. So that whole thing, you know, walk and chew gum, to be able to deal with it, what is immediately in front of you at the same time is being able to deal with the other things that need to be dealt with?

Nicola Pero 21:22

Absolutely. Because look, in terms of recoveries doesn't matter what industry sector you look at recovery also brings opportunities more than ever before the board truly needs to be in the helicopter and looking just beyond this immediate period, you know, so that there's very much a strategic view that is put in place now as part of those recovery plans. So those discussions with government with funding because actions are required before funding streams flow through so there is probably I think, more obligation on boards in regards to governance and being very Clear on governments around fiscal expenditures support activation. This is not a time when anyone can say, Well, can we just hold off for a couple of weeks while we seek some more approvals? It's, but you also have to be careful that you're not in such emergent and urgent circumstances that governance has been thrown out the window. And then after the crisis, everyone's kind of like, Oh, my God, where's the paper trail? Where's the process to be shown all of that sort of things? So it's a complicated space?

Helga Svendsen 22:33

It absolutely is. And you're right, you're right in the thick of it. Oh, Nicola, there is so many things that I'd love to hear more about the amalgamation process that you went through. But that might have to be a conversation for another podcast. I think there's been so many fabulous tips in here for boards in dealing with these sorts of emergency events. What are the main points that you want people to take away from the conversation that we've had today?

Nicola Pero 22:58

Look, I think a few things are very passionate about encouraging women to join boards, you know, it's certainly one area of diversity. And we all know that there could certainly be greater number by way of representation of women on boards. Learning about being a board director to me is very important. So I would certainly encourage people to remember that being a board director, I think, is sometimes viewed by people who don't take up board directorships as Oh, that's great. It's sitting on the board. That must be lots of fun and that sort of thing. Being a board director is hard work. And if it's not hard work, then I don't think you're doing it right. This is not about just taking a seat at the table and being a place marker. board directors need to be productive. So to do that, you know, it requires individual work in order to deliver that great best practice into a whole board. You have to educate yourself. You have to keep informed. I think you have to be curious, and most importantly, reward papers and people that go to board meetings, and then a kind reading them there. And then we all have those moments where it's been, you know, pretty full on couple of weeks. But this is your obligation. This is why you're contributing in the first place. So you're not doing your job unless you have taken the time to keep yourself relevant what what's going on in your organization, but also what's going on with board representation generally, reflecting on your best skill set and your passion and your values and making sure that you strategically target boards and sectors that are good fits. I don't think that that necessarily means you should be sitting on boards because you particularly love that industry. But there's no point sitting on a board where you're lacking interest either. So finding that alignment is really important. And I also think remembering your role as a board director, especially in moments of crisis, you know, have a clear understanding of what crisis management processes are within your organization's and sharpen up your governance skills, which should be quite sharp. If you're gone into a board director role anymore.

Helga Svendsen 25:00

The conversation we've had today is a fantastic reminder of that and how to how to maintain that balance when you're in the middle of that sort of crisis. Have you got a resource that you might be able to recommend to our community a book or a TED talk or a podcast? Is this something that you'd like to recommend?

Nicola Pero 25:15

Look, I'm an I'm an avid consumer, I was born with a natural sense of curiosity, and that that stays with me even now. So for me, yes, I'm a regular consumer of ted.com. And your TED Talks, that sort of thing. Women on boards I find exceptionally helpful insofar as broadening networks and forming on industry trends, but also monitoring opportunities. So even if you're not ready to get onto a board yet, you know, joining women on boards and being able to see and monitor those opportunities, I think that really helps new scientists for the curious and the innovative. I just, I find that piques my curiosity and keeps my brain thinking about left field issues. And a book that I'm reading at the moment is actually by a woman called Liam s. And it's called soft is the new hard. So it's how to communicate effectively under pressure. It's not a long read. It's not a deep, deep read. It's a great reminder every and there's some absolute pearls of wisdom in there. And I think that communicating effectively, especially under pressure is really important for all of us. And it's really important for board directors so that you can competently have those difficult discussions and ask those hard questions.

Helga Svendsen 26:29

Well, I'll make sure I put a link to all of those things in the show notes to women on boards, New Scientist, and latest book soft is the new hard It sounds fantastic. So I'll put a link to all of those in the show notes. And we'll also put links to your organization's destination gifts, land and Food and Fibre gifts the hand. I'm wondering is there an emergency relief fund in particular that you would like us to link to in the show notes for this one.

Nicola Pero 26:50

Gippsland and Emergency Relief Fund is probably the main 100% of those funds that's volunteer and 100% of those funds go directly with our needs. And they have been doing a huge amount over the past few years in regards to the drought. The thing with Gippsland emergency relief fund is they are processing those funds quickly. There are many families that have already received and are receiving Now, those funds and that's really the importance, you know, is, is raising all of this money is fantastic. But people actually they need to day

Helga Svendsen 27:23

On the ground. Absolutely. Well, I'll make sure I put a link to that in the show notes as well. Now, before we close, is if you just got one maybe small, brief story for us. You were a CEO in the Middle East, a female CEO in the Middle East. Got any snippets for us to close this out?

Nicola Pero 27:39

Look, when I was there I was I was actually one of the first Western female CEOs in the Middle East. So I get many discussions from people go, oh, what was that like? Could you drive what you have to wear that sort of thing? I have to tell you, I felt a huge sense of personal freedom during those six or seven years I lived in that region. And the one thing I I have to say is, I found that the people I engaged with over there started from an assumption that you were accomplished to be there in the first place. So there wasn't a sense of you still have to deliver. But there wasn't a sense of I had to prove myself rather than my project credentials speaking a little bit from the start. So it's a different starting point, then what I found in many other countries, when I was there, the crazy kind of happens all the time. I, that particular role I was headhunted for and I was taken out to an area opposite the bar and Formula One racetrack and was shoving a million square meters of sand and said make Bahrain proud. And that was the remit for the development. So I don't think you often get opportunities of have somewhat of a blank cheque book, you know, and said, Make Bahrain proud. So that was probably one of the most interesting roles that I think I've ever had.

Helga Svendsen 28:59

Fantastic. Gosh, I'm gonna have to get you back a couple of times for all of these stories. Thank you so much Nicola for sharing your experience and particularly your experience over the last few weeks, thank you for making the time in what I know is a difficult time. And please do share all of our support for gips landers, but through your role, and as I say, I'll make sure I share some of those links to not just the resources that you've suggested, but also to get plan Emergency Relief Fund which I really encourage our listeners to make a contribution to. So thank you for sharing your wisdom.

Nicola Pero 29:31

Thank you so much. And look at one last thing that I'd really like to encourage people to do is come back to Gippsland, come with an empty esky you know, Gippsland is so diverse. There are so many places to visit. This won't work. We won't come out of the other end of this without the support internationally from tourism but also domestically from tourism. So come back, Gippsland is a beautiful, beautiful region to visit.

Hela Svendsen 29:58

Fantastic. It certainly is. So I know we have listeners from all around Australia and across the world. So whether you're a Victorian Australian or an international Gippsland is the most magnificent place. So I love that call to action. Go see it.

Thank you. Thank you, Nicola. Thank you for sharing your wisdom.

Nicol Pero 30:16

Very welcome.