

Interview Narelle Hooper | Photography Nic Walker

STATE OF TRANSITION

AS SHE MAKES THE MOVE FROM POLITICS TO THE BOARDROOM, FORMER FEDERAL ATTORNEY GENERAL THE HONOURABLE NICOLA ROXON GAICD HAS DISCOVERED BUSINESS COULD LEARN A LOT FROM POLITICS — AND VICE VERSA.



bio.

Over the course of her transition from Federal politics to the boardroom, two things have struck Nicola Roxon GAICD. The first is the level of politeness, the second is the power of perception. There was a moment during an interview for her first board appointment in 2014 when, amid preliminary chat, Roxon casually remarked she had caught the train in that day. “It was like this ripple went through the group,” she recalls. “People perceive you’ll behave in a certain way. They thought there’d be a big ego, which would want to be the centre of attention, would want Comcars and what have you.”

There have been some who wondered what yet another politician would be able to contribute to boardroom life. Roxon’s appointment in November, replacing John Conde AO FAICD as incoming chair of healthcare services provider Bupa Australia and New Zealand, was greeted with media commentary to that effect.

The answer is, “plenty”. The former industrial lawyer and Member for Gellibrand, Victoria, sees many parallels between the roles of minister and director. Roxon held the complex portfolios of health and ageing, and provided a formidable leadership of the Federal Government’s push for plain tobacco packaging before becoming Australia’s first female attorney general in 2011. Then she surprised the pundits in 2013 by announcing she was ending her 15-year political career.

After deciding during a two-month break with her family that she would commit to a board career, Roxon applied herself with the same methodical approach that drove her as a politician. Boards appealed, both for the opportunity to contribute and the intellectual challenge, but without the punishing travel schedule.

“When you’re making a transition to a new profession, you have to be open to serendipity and to the skill set you want to enhance. I was conscious I had strategic skills good for some boards, but was also on a learning curve for governance.”

She came with a learning mindset, applied herself to the *Company Directors Course* and recognised her board career would take time to build. That helped her avoid some early mistakes. “Saying no is as important as getting the chance to say yes in board life, because it has to be a good fit for you as well as the board. It is a big career change. There are lots of transferable skills, and valuable and quite unusual experience, but it won’t suit everybody. Boards want to make sure they’re getting someone who wants to contribute as a director and *doesn’t* want to be a former politician.

“We’re as different as former CEOs are, so there is a little bit of sorting out in our own skin the sort of director we want to be and being confident about what we have to offer, then meeting people and waiting for the right mix.”

Not so different

Being a minister of a large, complex department has more readily transferable skills than you might expect, she argues. “Because ministers are the public face [of a department], people often mistakenly equate their role with a CEO. But everything else is more comparable with a board role. You’re setting direction and strategy, and overseeing a big department, delivering policy and services. As minister, you manage risk, set priorities, do all the things a good board would be doing – and you sit around

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Roles Chair Bupa ANZ, APESB, Cancer Council of Australia, Sir Zelman Cowen Centre Victoria University; non-executive director Dexus, Lifestyle Communities.

Studied University of Melbourne (BA, LLB Hons).
Worked Federal Minister for Health and Ageing, Federal Attorney General, Federal Minister for Emergency Management; Federal Labor MP for Gellibrand; senior associate Maurice Blackburn; organiser National Union of Workers; associate High Court Judge Mary Gaudron.

the cabinet. Collective decision-making and, ideally, respectful and constructive argument about issues is something you’re very comfortable with from political life. All those skills are completely transferable.”

Public scrutiny

In the world we’re in, says Roxon, “having a good radar for the community and ways of dealing with stakeholders, and not being alarmed about the fact that there will be scrutiny” is also really valuable. “I’ve sat in a couple of meetings where remuneration committee chairs have been horrified they might have to explain something in detail to an AGM or the media. That’s just the way the world is moving. If you can’t explain it, then there is a problem, either with what you’re paying or with your understanding of it.

“When you’ve had that intense scrutiny in public life, you’re more comfortable with it, and with not overreacting in crises and setting long-term agendas when they’re needed.

“A lot of those skills are very transferable for businesses that want to be settled well within their community. Public sentiment becomes a blunt instrument for both business and politics. Finding ways to bring to bear different perspectives gives you ways to get ahead of this.”

Robust disagreement is OK

The other big adjustment during her transition, Roxon says, is in the level of civility and language. “Language-wise, it’s an adjustment coming from politics to the boardroom where people are much more polite. In politics, if people think you’re wrong, they’ll tell you that you’re a f***ing idiot. Around the board table, that wouldn’t be appropriate, but robust disagreement is OK. If politicians could get a bit of civility, and business could inherit some of the comfort with robust disagreement to enable better discussion and outcomes, that would be a good exchange. The unsatisfying thing in the Australian public debate is that people are marked as either ‘businesspeople’ or ‘community’ when, of course, we are all in the community.”

Roxon says there are disciplines a well-run business and government have and would be good to share. Government and bureaucracy has built-in stakeholder engagement.

“As health minister, you have huge budgets dealing with pharmaceutical businesses, diagnostics or community funding programs. If you’re going to change them, you need to work with those groups. You can’t change complex programs without consulting lots of people. Government and the public sector have that in their DNA, which some in business are uncomfortable with. That long-term successful engagement – business has to do that.”

Coming on board

Roxon’s boards range from the Accounting and Ethical and Professional Standards Board (APESB) and Cancer Council Australia to ASX-listed Dexus Funds Management, and Lifestyle Communities, an affordable housing provider.

“Many people find it a bit strange... walking in and trying to feel your way around different personalities and [deciding] when is the right time to contribute. I’ve been able to get roles on high-functioning boards where you can contribute and learn at the



Nicola Roxon in January 2012 as the cigarette branding battle heats up

TAKING ON BIG TOBACCO

Roxon’s best known legacy has been her leadership of Australia’s historic move to legislate that tobacco must be sold in plain packaging with large, graphic health warnings. Introduced in 2012, and coupled with big increases in excise and other controls, it was a groundbreaking move to reduce the consumer appeal, particularly to young people, of a deadly but legal product.

In spite of an extensive legal campaign by tobacco companies through international courts, plain packaging is now already implemented, or proposed, in 23 countries including France, the UK, New Zealand, Ireland, Norway and Hungary.

Research has subsequently shown that plain packaging

has resulted in an estimated decline in Australian smoking prevalence of around 0.55 percentage points between 2012 and 2015 (an estimated 108,200 fewer smokers).

“Plain packaging was achieved because many organisations set the groundwork for government,” Roxon says. “A lot of people were part of this.”

A recent World Trade Organization ruling found that Australia’s plain packaging requirements were compliant with international trade and intellectual property rules, and a legitimate public health measure. The World Health Organization said the legislation “sets a new global standard for the control of a product that accounts for nearly six million deaths each year.”



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same time. Coming from Cabinet, where people have different views and express them more robustly, I needed to check in with management that I wasn’t sending signals I didn’t intend.”

Sitting in the big chair

Roxon was appointed as chair of the APESB in 2014, and of Cancer Council Australia 2015, the first independent chair as it went through a governance transition. She will take over as chair of Bupa ANZ Healthcare Holdings in March 2018. The for-profit local arm of the UK global not-for-profit healthcare provider/insurer reported a total income of \$7.5b in 2015-16.

Roxon joined the board in 2014 and says the handover enables her to have a period of induction. “As a director, you have extensive visibility over the business, but not the depth of engagement of a chair. I’ve sat with the CEO and current chair and flagged that these are things I need to do more of.”

She has also engaged at more detailed level, made sure she was across the global structure and talked to the auditors to get a deeper understanding of the books. Spending time with the executive and directors has helped her understand what is working well – and what is not. “It’s a great honour and I also feel a big responsibility because you’re helping steer a business that makes a significant contribution to the community. Private health insurance is difficult because increasing cost makes it difficult for people to afford. As a chair, my goal is to raise questions and contribute in different areas. One of the skills I can provide is to think in that big-picture strategic setting.”

Points of difference

“I am not a perfectionist, I’m a ‘how do you get something done’ person. I’m attracted to the things that can have the biggest impact and make the biggest difference, not sweating the small stuff. I don’t have the same financial background as some directors, so it’s also been useful for me to spend more time with the finance department.”

Diversity

Roxon was mentored by Patricia Cross FAICD, founder and chair of Australia’s 30% Club as part of AICD’s Chairs Mentoring Program. “It was excellent to be able to talk to someone who was in the field for a long time and to get advice on the tone of conversations – it was a different world for me,” Roxon says.

Her boards have at least 50 per cent female membership. “We have opened-minded, experienced men and women. It’s a delightful mix. I may on occasion be the only Labor voter in the room, but I’m not the only woman. It’s not fun to be the first.”

While Roxon initially thought her strong Labor roots would be a barrier in the more politically conservative corporate community, “a lot of the time it’s not relevant around the table. I bring some views that are useful and am very alert about things like workplace safety, but that doesn’t mean we can’t have an adult conversation.”

Roxon is also interested in the rapidly growing area of business for positive purpose – and keen to participate in a discussion on the number of charities and their impact. “What [ensures] those charities are set up for the best result? Is there a need to have a bigger discussion? Should there be hundreds of cancer charities? How do you have the most impact? That is going to be about governance.” ■

Hear Nicola Roxon at the Leaders’ Edge Lunch in Melbourne on February 16. Details at aicd.com.au/bigissues

Image p.39 Styling Melissa Boyle — Carla Zampatti, Regent Street; Kallis, Vibrance earrings