

**BOARD COMPOSITION**

Succession Planning That Isn't a Crisis Response

Why emergency readiness and strategic bench strength are two different documents, not one

Most boards discover they need a succession plan at the exact moment it is too late to build one properly, when a chair announces they are stepping down at the next AGM, or worse, when a director's sudden illness or departure leaves a gap with no notice at all. BoardSource's Leading with Intent study of US not-for-profits (2017) reported that only 27 per cent of organisations had a written succession plan for their chief executive. Equivalent Australian data is limited, so treat this as an indication rather than a local benchmark, and note that it measures chief executive succession, not board or chair succession.

Which rules apply to your association?

The law depends on how your association is set up. A **company limited by guarantee** follows the Corporations Act 2001 (Cth) and its constitution. An **incorporated association** follows its state or territory associations Act and its rules. A **registered charity** also follows the ACNC Act and the ACNC Governance Standards, and some Corporations Act rules are replaced for charities that are companies. Check your own governing documents, and get advice before decisions with legal consequences.

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Two Different Problems, Often Confused As One

Succession planning covers two distinct scenarios, and boards that treat them as a single exercise usually end up with a document that serves neither well. Emergency succession addresses the immediate question: if the chair or chief executive became unable to serve tomorrow, through illness, sudden departure, or any other cause, who has the authority to act, sign, and communicate on the organisation's behalf in the interim? This needs no strategic retreat or extended process. It needs a short, clear, current document naming who steps in, what authority they hold, and how the organisation communicates the change, reviewed at least annually regardless of whether anything appears imminent. Check that the interim arrangements match your constitution or rules, your delegations and your bank signatory authorities, and list any notifications required when officeholders change, for example to ASIC, the ACNC or your state or territory regulator.

Strategic succession is a different, longer horizon exercise: the deliberate development of the board's own bench strength over time, so that when a planned transition does arrive, whether a chair's term limit, discussed later in this quarter, or a long-serving director's natural rotation off the board, the organisation already has people ready rather than starting the search from nothing.

A board with only an emergency plan is prepared for a crisis but not for growth. A board with only a strategic development plan is prepared for growth but exposed if the crisis arrives first. Both are needed, and they are not the same document.

Why The Chair Transition Deserves Specific Attention

Good practice treats the chair's role as a specific category worth its own deliberate plan, distinct from general director renewal. This applies to associations as much as to any other board. A chair transition handled badly, an outgoing chair pressured into staying an additional term because no successor was developed, or a new chair thrown into the role with no preparation, creates exactly the kind of governance instability this series has warned against elsewhere: decisions made under pressure rather than through deliberate process. A chair succession approach identifies a credible pathway well before the transition is needed, whether that is a deputy chair role structured explicitly as preparation for the chairship, or a more informal but still deliberate mentoring relationship between the current chair and likely successors on the board.

Building Bench Strength Without It Becoming A Crowning

There is a tension worth naming here. Strategic succession planning, done carelessly, can shade into anointing a successor before anyone else has a chance to be considered, which sits uncomfortably against the member-elected structures many associations rely on and the fiduciary independence discussed earlier in this quarter. The way through this tension is process, not secrecy. Bench strength development should mean broadening the pool of board members with governance experience, committee leadership exposure, and induction into the chair's responsibilities, not narrowing the field to a single anointed heir before an election or appointment process has run.

- Maintain a current, short emergency succession document naming interim authority for the chair and chief executive roles, reviewed at least annually.
- Treat chair succession as its own deliberate strategic exercise, not folded into general director succession, given the disproportionate governance risk a poorly handled chair transition creates.
- Build bench strength broadly, through committee leadership rotation and governance exposure for multiple board members, rather than narrowing to a single successor before any election process runs.
- Connect succession planning explicitly to the skills matrix discussed earlier in this quarter, so that recruitment and development target the organisation's actual current and anticipated gaps.

Succession planning done well is invisible in exactly the way good governance usually is. Nobody notices a transition that goes smoothly. Everybody notices the one that does not. The difference between the two is rarely luck. It is almost always whether the plan existed before it was needed.

This is one of the practical governance topics built into our Board Director course, alongside the papers, tools and frameworks that turn the principle into your board's actual practice. [Explore the course](#)

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BOARDROOM ACTION WORKSHEET

Succession Planning That Isn't a Crisis Response

Turn the resource into evidence, a decision and an accountable next step. Keep the completed record in your association's approved board records system.

1 What is the issue or decision?

State the governance question in one clear sentence.

2 What evidence do we already have?

Record the facts, source documents and stakeholder evidence available now.

3 What evidence is still needed?

Identify the legal, regulatory, financial, member or operational information still required.

4 What is the agreed next action?

Capture the owner, timeframe and how the matter will return to the board.

Action owner	Review date	Board decision or resolution

General education, not legal, financial, tax, clinical or governance advice. Confirm specifics at the relevant primary source or with your own qualified adviser. Nexus Leadership is operated by Lipstick Consulting Pty Ltd · ABN 15 619 120 482.

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