

From: Chris Warren
Sent: Tuesday, 11 March 2014 1:55 PM
To: Greg Miskelly, Jeff Waters
Subject: Role of the board, role of a CEO

Dear Greg, Dear Jeff,

The honorary activists in our union are proposing to have the union overseen by a honorary elected board of the members who make up our union, with a CEO and staff reporting to them. Why? Because they believe it is more democratic, more transparent, more accountable and more effective.

At the heart of your concerns appears to be that you do not believe that an honorary board – or perhaps just our board -- is up to managing an employed CEO.

Your questions go to the detail of the structure. You can find the answers to the questions you ask in the material that has been provided to either this federal council or the previous two councils. Here's the relevant parts.

1. Role of the board

The role of a functioning board of elected honorary members in membership organisations like ours is to manage the organisation as the elected representatives of members. At the 2012 Council we adopted governance standards which spell out what this means in practice for us. These have guided the Federal Management Committee as it was expanded to 11 members and empowered to act as a board of the union.

- Lay solid foundations for accountable management and oversight
- Develop the Board to add value
- Promote ethical and responsible decision-making, including on remuneration
- Safeguard integrity in financial reporting
- Maximise transparency to ensure members and activists can participate in the union
- Respect the rights of members by encouraging active engagement in their union
- Recognise and manage risk

To develop the board requires members to be appropriately trained in the skills they require. In the past two years, the FMC has had training sessions on strategic planning, governance standards, and financial standards. We are scheduling further training in financial oversight at our May meeting.

Most members of the Federal Management Committee have experience -- some of it extensive -- on government and/or other not for profit boards that include working with (and supervising) CEOs under the sort of structure we are moving towards.

In the papers to this Council there are further comments and recommendations on the application of these principles to our governance.

2. Role of the proposed CEO

All members of Council understand what a CEO does and how he or she would work with an elected board. That general understanding is underpinned both by general governance principles and, in our case, by our rules and by the decisions of the Federal Council.

The recommendation to Council makes clear that the job description of a CEO is based on the tasks and duties of the Federal Secretary other than those that would flow from being an elected position. These are in the registered rules of the union and to summarise they are to:

- Manage the activities of the union in accordance with the Rules, decisions of the Federal Council, board and other relevant bodies (See Rule 50(b), 50(l)(ii), (x), (xii), (xx))

- Administer the statutory organisation of the union (See Rule 50 (l)(i), (iii), (xv), (xxii), (xxiii), (xxv), (xxviii))
- Be the designated person authorised to sign on behalf of the organisation, including the person to sue and be sued (See Rule 50 (a), (c), (d))
- Employ and supervise - including the delegation of that supervision - all staff of MEAA, within the policies set down by Federal Council and the board (See Rule 50 (k) , (l)(ii))
- Manage the finances of the organisation (Rules 50 (i), 50 (l) (iv), (v), (vi), (vii), (viii), (xxiv)), (xxvi))
- Manage the compliance and regulatory obligations of the union. (Rules 50 (l) (ix), (xi) (xii), (xiii), (xvii), (xviii), (xix), (xxi), (xxvii))
- Be editor-in-chief of communications (Rule 50 (l) (xvi))
- Such duties that may be considered necessary or desirable in the interests of MEAA by the board (Rule 50 (e), (l) (ii), (m))

As the proposals make clear, the position will not be an elected officer under the rules, so would not have the authority that would require the person to be an officer (See Rules 50 (d) - primary clause, (e), (f), (h)). These powers would instead be vested in the Federal President and the board.

As is published in our annual report to all members (and filed with the Fair Work Commission), the terms of employment of the Federal Secretary are set by Federal Management Committee. This occurred most recently in 2008. It follows from the recommendation that the same process would be followed for a CEO. In this case, that would include term of contract, notice of termination and performance standards.

It follows also that the strategic plan (which was adopted at the 2012 Council and, with revisions, is included in the papers of this Council and has been made repeatedly available to all members) would form the basis of performance standards, goals and KPIs that would be agreed between the board and the successful candidate.

The report to this Council outlines that the Board will embark on whatever process they believe is most appropriate to identify the broadest range of potential candidates. As the paper says: " The process of identifying an appropriate person could include any method of recruitment Federal Management Committee felt to be appropriate to the role, such as advertising, head-hunting, contract renewal or use of recruiting agency."

3. Conflict of interest

Like all other members of Federal Council, you have had made available to you standing orders which cover declarations of conflicts of interest in matters before both Federal Council and meetings of Federal Management Committee.

Of course, any person with a material conflict on any matter should declare that conflict and accept the judgement of the chair of the relevant meeting as to the appropriate response to that conflict. This will also apply to any member of Council attending or participating in this particular debate at this Council.

4. Walkleys

There has been no change in the relationship of the Walkleys to MEAA. The foundation was -- and remains -- strictly autonomous under the oversight of the Walkley Board. The role of CEO for the Walkleys under the by-laws is tied to the position of Federal Secretary. If you stop being one, you stop being the other.

As you may be aware, your blog post, along with other statements by members of Federal Council have been posted on our web page (www.alliance.org.au). In yesterday's e-bulletin, we pointed any member who may be interested to those comments. I will ensure that this paper and response are made available to all members of Council.

With best wishes

Christopher Warren
Federal Secretary

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W: <http://www.alliance.org.au>

The people who inform & entertain

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-----Original Message-----

From: Greg Miskelly [<mailto:Miskelly.Greg@abc.net.au>]

Sent: Monday, 10 March 2014 6:35 PM

To: Jennifer O'Brien

Cc: Jeff Waters; Chris Warren

Subject: RE: Request for mailing list

Importance: High

Hi Jen, Chris

Jeff Waters has asked that the following discussion paper please be circulated to Federal Councillors using the website - as you suggested.

Appreciate your help furthering the debate we clearly need to have.

It's also on the #MEANeedsdemocracy blog at <http://meaneedsdemocracy.wordpress.com/category/opinion/> if you prefer to just send them the link.

The discussion paper has questions for the Federal Management Committee, which we would love to have answered, following their email last week.

Look forward to seeing you all at Council. It should be a fun one!!

Regards,

Greg

No free speech but plenty of secrecy at the MEAA.

A week ago, Charles Firth, Greg Miskelly, John Roper and I started this blog, because we were worried about a proposal to end to full democracy in our union - an effort which could easily lead to even more secrecy.

The most concerning part is the proposal to introduce a CEO model to the way our union is run.

It's difficult to find out much about this plan, in spite of the fact two of us are elected councillors on the union. We are being blocked from communicating with the rest of the MEAA's federal council. For a democratic organisation, MEAA is often opaque in its communications with members.

For example, in order to gauge the view of members, I was even told by the union officials that as a Federal Councillor I could not have access to a mailing list of my fellow councillors, for privacy

reasons. Federal secretary Chris Warren, though answerable to the federal council, simply ignores my emails and calls.

As a democratically elected rep, it seems I am not trusted to communicate with my fellow reps. All communication must go through head office.

However that same list is now being used by the proponents of the plan to wheel out propaganda on their side of the debate. No free debate; no free speech, and in the alliance of all unions.

After our blog started to get traction, and thanks to coverage from independent media outlets like Crikey and Mumbrella, some emails, and press releases were released to some members through the MEAA website.

We've heard now reasoning from national officials Stuart Washington, Philippa McDonald, Gina McColl and Simon Burke as to why they are recommending this plan. Words like 'forward-thinking' and 'being modern' are used to explain why your vote is being traded away.

Another argument made is that not having elected officials, who are accountable to members is an easier way to end arguments between factions and 'get things done'. That's fine, if you running a club, or a corporation.

Democracies aren't meant to be easy, in fact, they are designed to foster debate, testing of ideas and deep discussion. The aim of that is to lead to strong collective decision making, inducing responsible outcomes and the betterment of the group. Today it seems some within MEAA want to outsource the decision making, the responsibility for its outcomes, and the hopes and dreams of its members, for reasons not fully explained.

This new model doesn't change the secrecy, and lack of consultation within the top level of MEAA. It simply puts the scrutiny of a highly paid, corporate leader in the hands of elected volunteers - all working journalists, actors, crew and musicians.

It's true that a CEO would have to deal with the sometimes bitter factionalism and feuding that plagues volunteer organisations, but in this model, this happens without the bolster of a democratic mandate. There would likely be no recourse for the wider membership to remove such a person from the role if things went wrong. It's a game of Russian roulette, with extra bullets.

What is being proposed is fraught with unknown dangers. We don't know who the CEO will be. We haven't been told how the CEO will be appointed by the ten member panel. Ten members out of 16,000. We don't really know much about who the people are who will choose him. Apparently a model has been fully developed within the management committee. A nice model, presumably from nice people. It would be nice to see something published online by the architects of the scheme about the detail that they have worked out. We're calling for that here on this blog, and were publishing all sides of the debate. But in truth we shouldn't have to be.

A lack of consultation is nothing new from MEAAs mostly voluntary political officers. While excellent individuals, programs and projects abound across all areas of MEAA, it seems a 'closed door' mentality exists deep in the leadership structures.

Volunteer officials seemingly have had a 'rubber stamp' approach, where discussion and debate has been shunned in order to get on with daily business. Minutes of meetings, updates, and election notices are rarely, if ever published directly to the members. Where they are published, the detail and debate is usually lacking.

When complaints are raised they are ignored, or 'people being busy' is to blame. Last year Federal Council promised to consult with members about reforms. That hasn't happened in time.

Today we want to know if members of the management committee are willing to answer the following questions:

1. Are any members of the management committee - committed to fill elected roles - planning to apply for the job of CEO, or, for that matter, the Walkley Foundation, which the current committee has been trying to separate from the union?
2. Are their conflict of interest procedures in place, to ensure that those who do nominate for CEO, step down from their elected positions prior to the position being designed, advertised and recruited?
3. What sort of capabilities are expected of the CEO candidates - top level experience in unions, business or NGOs? Financial expertise? Tertiary qualifications? Experience in running industrial campaigns? Political lobbying? Legal skills?
4. Is there a large pool of candidates - or is it expected to be fairly small? Perhaps, again, including members of the management committee?
5. Is it expected that outside head-hunters, such as 'executive recruiting agencies' will be employed - at huge expense to members?
6. Have experts from outside the union - eg lawyers, corporate governance analysts etc, provided independent advice on the feasibility and governance aspects of the model?
7. What sort of remuneration will be offered to the role? Will pay and conditions be negotiated as part of the selection process? Will bonuses and incentives be on offer for the CEO to remain in the role? Will relocation, travel and other expenses be funded by the union?
8. Will the CEO's role be modelled on that of the current federal secretary - with wide ranging political powers to participate in decision making bodies of the union, and, indeed, the power to influence nominations to the management committee itself? If not, what checks and balances will be in place to ensure that the CEO position does not become political and remains answerable to the board?
9. What sort of performance management plan has been devised for the CEO? Which members of the ten-member panel have direct oversight of performance management?
10. What are the KPI's for the CEO - such as financial management, mba, industrial experience, media spokesperson experience, experience within creative industries? Is it expected that the candidates will have prior knowledge and familiarity with the policy areas and industries MEAA works in. Will membership growth, or industrial outcomes be part of the measurement of job performance?
11. What sort of background checks will be conducted on the CEO prior to appointment?
12. Will the CEO have to become a member of the union?
13. What duration of contract would the CEO fulfil - 12 months, 2 years, 4 years? Would they be subject to annual reviews?
14. What dismissal mechanisms are in place - given the difficulty boards often face removing CEO's when contracts are terminated early?
15. Has the management committee costed the recruitment process in full - search, advertising, convening to interview, legal advice, fees, etc - compared to the cost of election (which is funded by Fair Work Australia - not the unions)
16. Why haven't the detailed figures and costs been released?
17. How will the CEO report back to members - directly through written reports, as the current federal secretary does to federal council, or via the management committee (which, in my experience as a member of the union's "supreme governing body" is extraordinarily quiet)?
18. Will Chris Warren remain as CEO of the Walkleys Foundation, in effect meaning MEAA funds two CEO positions? Should a new CEO take over running of the Walkleys Foundation?

19. What are the actual direct advantages to members of a CEO?

20. Has the management committee conducted any independent review of its own governance arrangements - given the volunteer status of its members - as to the efficacy of its own oversight of a non-elected CEO.

AN APPEAL

In the current political climate it's more important than ever that this union moves toward more democracy and more transparent accountability - not less.

I appeal to all federal councillors - particularly those who may have been swayed by some management committee members - to think long and hard about how closed a little club our union could become.

And I urge all members to make your feelings on this matter known to your delegates, organisers, and, most importantly, the federal councillors who will be voting on this next week.

Jeff Waters
Melbourne ABC delegate to Federal Council