

GOVERNANCE STRUCTURE – REASONS FOR MOVING TO A BOARD from Garry English, South Coast NRM Inc. Chairman

BACKGROUND

Many of you will be aware that over the past three years, South Coast NRM Inc. (formerly SCRIPT) has experienced rapid growth, not only in terms of NRM investment, but also in terms of the number of staff members employed and their role in NRM implementation. Awareness of the accompanying increase in risks and responsibilities have not been so clear.

A key factor for the success of NRM delivery within our Region has been the wide involvement of community in our committees and working groups and the focus on good governance.

The decision to move to the proposed new Board structure has been proposed for some time to

- separate and streamline governance from NRM priority setting and investment activity advice.
- make the most efficient use of community input.
- keep up with the changes occurring within the NRM community and to maximise our potential for maintaining adequate NRM funding.

IF IT'S NOT BROKEN, WHY FIX IT?

Accountability and governance for millions of dollars of community funding is a top priority.

Recent governance reviews undertaken by the Australian Government recommended that boards of management provide better accountability. Moving towards the new governance structure is not a sudden, spur of the moment proposal. It has been considered over a period of three years.

During that time, it has become evident that we need to be able to respond to the changes and priorities of our community quickly. We also need to be able to respond to funding changes and requirements with a more deliberate approach – that is, we will be required to adopt a business focus to the way we are operating.

Subsequently, the current Council believes that moving to a Board model will enable us to respond more proactively and put us in a better position to tap into a variety of funding sources.

TOO MANY LAYERS – A TIME TO RATIONALISE.

South Coast NRM Inc. understands that our processes are currently perceived as too 'bureaucratic' or having too many layers - that is, there are lots of meetings and lots of time spent at meetings, 'we don't have time to do our jobs'!

We know that many of the same community people and project officers are represented at many of the meetings and working groups, putting pressure on their capacity to undertake their core business of on ground NRM activity and engaging with their community of interest.

This new proposal aims to reduce some of those layers and reduce duplication in decision-making. We envisage the new process will free up our people to enable them to do their 'real' work and ensure investment is directed to on ground work.

COMBINING AND INCLUSIVE – COMMUNITY INVOLVEMENT STILL A PRIORITY.
The new governance structure proposes that we combine resources, rather than reduce them; to enable a more inclusive approach to community engagement and the efficient use of community time and input to reduce the risk of member 'burn out'.

We also envisage that with the make up of the Board and NRM Advisory Committee we will be able to transfer skills and expertise and develop a long-term, sustainable and robust capacity of the community, in decision-making and governance.

WHAT DOES IT MEAN FOR CURRENT COUNCIL REPRESENTATIVES?

The most significant change for current Council members is that the representation of members and the role they play will be vastly different.

Board members will be elected for the specific skills and experience they have in business management, natural resource management, governance and accountability. Their role will focus on strategic planning, adopting policy, setting the direction of the organisation and prioritising strategic marketing and communication activity. Other current Council members will have the opportunity of meaningful input through the NRM Advisory Committee or a Reference Group.

HOW WILL PROJECTS AND NRM ACTIVITY BE DEVELOPED AND PRIORITISED?

NRM Advisory Committee – this committee will be a combination of the current Regional Strategy Subcommittee and Council – we hope to utilise the expertise of existing committee members to get the most out of our people in a more effective way. Underpinning the NRM Advisory Committee will be theme reference groups. Made up of communities of interest in the various Theme areas (Land, Coastal & Marine, Culture, Biodiversity and Water) – information and recommendations are fed from these groups to the *NRM Advisory Committee* to assist with priorities for investment and NRM activity.

This advice will be presented to the Board for adoption of investment and Policy. It means that the technical expertise is channelled more effectively and efficiently to adoption.

WHERE DOES COMMUNITY FIT IN?

Community will be involved at all levels of this new governance structure. Their support and advice is vital for targeting and prioritising investment so it is meaningful, has local ownership and avoids decisions that could become adhoc and fragmented.

For community members wishing to take an active part in the decision making process, who are not interested in the *Board or NRM Advisory Committee*, but who have hands on technical expertise, the *Reference Groups* will be a great opportunity.

I ask you to consider the enclosed document Review of Governance Structure and special resolutions to amend the South Coast NRM Inc. Constitution.

If you have any queries or require more information about the proposed new governance structure please contact either myself or Rob Edkins, Chief Executive Officer on (08) 9845 8537.

Garry English
Chairman

Review of Governance Structure

Background & History

South Coast Natural Resource Management Inc. has experienced a period of rapid growth with the implementation of the Regional Delivery Model, accreditation of *Southern Prospects 2004-2009: South Coast Regional Strategy for NRM* and subsequent delivery of regional investment from the Natural Heritage Trust, the National Action Plan for Salinity and Water Quality and now Caring for our Country.

In order to maintain good governance, the Management Committee (now Council) instigated a review in 2006 to ensure continuing efficiency and effectiveness in its operations as well as that of member input.

In April 2006, the Management Committee (now Council) established a working group to review the current governance structure. With input from the Management Committee (now Council) the working group developed a draft report for discussion.

The working group narrowed the options to two possible models. Both models were seen as part of the same continuum of development as the organisation matures and grows over time. As such the working group made the distinction between a future possible model and the right model for that time.

The main variance between the two models centred on who the governing authority would be: a larger representative council or a small skills based board. After much discussion, support grew for the implementation of a skill-based board; however it felt premature to progress the development of this model in the short term for the following reasons:

- The current level of change occurring in the organisation such as re-naming and branding
- The need for further refinement of the board model (pro's and con's)
- The need for additional time to undertake quality consultation and communication processes with SCRIPT (now South Coast NRM Inc.) members, stakeholders and the wider community

As such the recommended model was the maintenance of a representative body, similar to what was already in place. The model defined the focus of the soon to be named 'Council' as a long term strategic body and formalised and extended existing delegations to the Executive and Regional Strategy Subcommittee.

The group felt that a transition to the Board model was right for the organisation with a proposed date for review and change potentially being 2008.

At the October 2006 Annual General Meeting, members were asked to consider proposed changes to amend the election and structure of the governing body and to change its name from 'Management Committee' to 'Council.' These changes were passed by special resolution.

At the March 2008 Council meeting, the Executive Committee recommended to Council that the establishment of a board be presented for endorsement at the 2008 AGM. The Council resolved to set in motion the revision of the Strategic Plan and the establishment of a board to be presented by the 2008 AGM.

Board of Management

It is proposed that a skills-based Board of Management be established under the associations' constitution having full legal liability as viewed by the Associations Incorporation Act. The Board of Management would meet regularly to adopt major policy direction.

Prospective Board of Management members will put forward a nomination and will be elected by the membership on the basis of ability at an executive level in areas such as financial management, auditing, governance systems, business development and natural resource management with an ability to work co-operatively to achieve the agreed goals of South Coast Natural Resource Management Inc.

The Board would consist of seven positions and would have a skills base that covers the following general qualities:

- **Governance** – including but not limited to: policy development, risk assessment, effective leadership, strategic planning, succession planning.
- **Finance** – including but not limited to: business strategy, accounting experience, audit, risk and safety.
- **Audit** - including but not limited to: audits both internal and external.
- **NRM** – including but not limited to: environmental, biodiversity, coastal and marine, agricultural systems, water.
- **Business Development** – including but not limited to: corporate investment, information technology, knowledge development.
- **Chief Executive Officer** – Executive on the Board

Considerations:

- Board of Management members could have a mix of skill sets.
- Provision would be made in the constitution to allow 'up to nine' board members to cater for possible future needs. The organisation would also have the ability to 'buy in' expertise in specific cases where a skill set is not represented on the board.

Board Support

As South Coast NRM Inc. facilitates and coordinates the planning, funding and delivery of integrated natural resource management within the Region, the Board will seek wider counsel from the community of the South Coast Region. With the help of the community, government agencies, local government, non-government organisations and industry, the Board of Management will have a representative framework to advise and guide them in managing the future of key natural resources. This framework is explained below.

NRM Advisory Committee

The NRM Advisory Committee would be a representative body that provides advice and guidance to the Board of Management on natural resource management issues across the Region. It is proposed the NRM Advisory Committee would meet regularly to provide advice and guidance on NRM policy and be a collective voice of the Region. An important part of this is to coordinate strategic planning that identifies and prioritises the South Coast Region's natural resource assets (the things we value). The Board of Management and NRM Advisory Committee would have a strong reporting relationship through the same Chairman.

This Advisory Committee will advise the Board of Management on issues relating to the:

- Development, implementation and review of the South Coast Regional NRM Strategy;
- Provision of advice on NRM policy;
- Coordinate strategic planning that identifies and prioritises natural resource assets;
- Provision of updates on program negotiations and achievements (high level monitoring and evaluation); and
- Guide and network on NRM activity for whole Region.

Reference Groups

A series of theme based reference groups will provide the technical expertise, local knowledge and community ownership for NRM activities in the Region. Each Reference Group would be chaired by a community member, and sits on the NRM Advisory Committee. Reference Groups could include but not be limited to land, water, marine, coastal, biodiversity, Aboriginal, invasives and changing futures.

Composition and Role Definitions

	Board of Management	NRM Advisory Committee
Primary function	<ul style="list-style-type: none"> • Provide leadership • Adopt organisation objectives and priorities and monitor progress • Adopt NRM policy and priority • Manage organisational governance, compliance and accountability • Marketing, communication, finances and membership 	<ul style="list-style-type: none"> • Advise on NRM policy and priority • Guide and network on NRM activity for whole Region • Undertaken NRM strategic planning • Representation of NRM Committee
Appointed by	Association membership	Board of Management
Composition	<p>Seven person board based on required skill set</p> <ul style="list-style-type: none"> • Governance • Finance • Audit • NRM • Business Development • Chief Executive Officer 	<p>Approximately 23 people. Based on representation from:</p> <ul style="list-style-type: none"> • Chairman (who will also be Chairman of Board of Management) • Up to seven (7) Government agency representatives • Water Reference Group Chairman • Marine Reference Group Chairman • Biodiversity Reference Group Chairman • Land Reference Group Chairman • Invasive Reference Group Chairman • South Coast Management Group Chairman • Aboriginal reference group representatives (up to two positions – east/west and male/female) • Local Government representatives • Up to five (5) subregional representatives <p>Considerations: All members have option to nominate a proxy</p>
Supported by	NRM Advisory Committee Finance Committee Audit Committee	Theme Reference Groups

On 22 August 2008 the Executive Committee met and moved the following recommendation:

The South Coast NRM Inc. Executive Committee recommends to the South Coast NRM Inc. Council, that a Governance Structure as described is recommended to the Membership for endorsement at the 2008 AGM.

On 2 September 2008 the South Coast NRM Inc. Council met and moved the following recommendations:

The South Coast NRM Inc. Council recommends to the South Coast NRM Inc. Membership, that at the 2008 AGM they endorse a Governance Structure as described.

The South Coast NRM Inc. Council recommends to the South Coast NRM Inc. Membership, that the South Coast NRM Inc. Executive is endorsed as the interim Board of Management of South Coast NRM Inc. until the AGM of 2009, and that the interim Board of Management can invite people with the appropriate skills as described onto the Board of Management until elections are held at the 2009 AGM or prior at a Special Meeting.

Recommendations for consideration by South Coast NRM Inc. Members:

1. That the Governance Structure (as outlined in the explanatory note that was presented to members) is adopted for the organisation and constitution amendments are made accordingly.
2. That the South Coast NRM Inc. Executive is endorsed as the interim Board of Management of South Coast NRM Inc. until the AGM of 2009, and that the interim Board of Management can invite people with the appropriate skills as described onto the Board of Management until elections are held at the 2009 AGM or prior at a Special General Meeting.

South Coast NRM Inc. Governance Structure

