



Governance Review - Short Version

**Returned & Services League of Australia
Incorporated**

(Tasmania Branch)

March 2019

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Executive summary

Over 100 years after its formation, the Returned and Services League (RSL) continues to provide strong camaraderie, a culture of support and deep connections for veterans and their families. In Tasmania, the RSL Tasmania Branch continues to be the premier ex-service organisation, and plays a critical role within the community.

However, there is a recognition that the RSL needs to change—both nationally and in Tasmania—in order to retain relevance and meet the changing needs of veterans and their families. This need for change is evidenced by the reputational damage to the RSL brand at the national level and instances within RSL Tasmania that have highlighted the need for a more robust governance framework.

RSL Tasmania appointed Elm Consulting Australia (Elm) in January 2019 to conduct a governance review of RSL Tasmania and provide recommendations for the creation and implementation of a best practice governance framework. This short version of the review contains:

Executive summary

Findings from the consultations

Recommended governance principles for RSL Tasmania

Full list of recommendations

Review methodology.

The long version of the review can be made available to members by contacting the Chief Executive Officer on (03) 6242 8900.

The inputs for this review included: thorough consultation with RSL Tasmania State Executive, members and key stakeholders; analysis of RSL Tasmania's current governance and operational documentation; research into Australian and international best practice governance theory for not-for-profits, including from the Australian Charities and Not-for-profits Commission (ACNC) and the Australian Institute for Company Directors (AICD); and Elm's significant professional experience in contemporary best practice governance.

Overall, Elm found that the current Constitution and overall governance structure of RSL Tasmania are out of date, hierarchical, and promote a culture of power and control. The current model is not aligned with contemporary best practice governance principles, such as the ability of members who may not possess the necessary Board skills and attributes to be appointed to the State Executive.

Elm put forward eight principles and 28 recommendations to guide the adoption of a contemporary, best practice governance framework that is appropriately tailored to RSL Tasmania's unique purpose, size and activities. These principles and recommendations focus on a strong commitment to keeping veterans and their families at the centre of all governance and management decision-making through greater stakeholder engagement, and the implementation of a skills-based Board of Directors that can drive RSL Tasmania's strategic objectives and govern effectively for future sustainability.

Throughout the review process, the current members of the RSL Tasmania State Executive have committed to transitioning to a new governance model which will serve RSL Tasmania and its members and achieve future sustainability. RSL Tasmania supports the recommendations set out in this document and welcomes the opportunity to consult further with the full membership and receive feedback.

Findings from the consultations

Key findings from the consultations included:

- All interviewees identified the critical need for change at a governance and operational level. All interviewees agreed that RSL Tasmania would not survive without change.
- The State Executive has committed to the implementation of a contemporary best practice governance framework.
- The majority of interviewees believed RSL Tasmania is still relevant, although, its offerings to members, veterans and their families require deep review to inform the future operational model.
- The interviewees **did not all agree** that the current State Executive had the necessary skills and attributes to govern RSL Tasmania now and into the future.
- The members of the State Executive acknowledged that the Board was not working effectively and identified areas within the secretariat for improvement.
- Some interviewees noted that the current State Executive was reluctant to make decisions.
- Some interviewees believed RSL Tasmania needed to refresh its brand (i.e. the 'look and feel' of RSL Tasmania).

Recommended governance principles for RSL Tasmania

<p>Principle 1</p> 	<p>Purpose and Strategy: The Board, in alignment with RSL Tasmania’s refreshed Vision and Purpose, develops and drives the strategy for ongoing sustainability. The Board oversees the operational and business plans which support the achievement of strategic objectives.</p>
<p>Principle 2</p> 	<p>Culture and Behaviour: The Board sets the culture and behaviour of RSL Tasmania and is responsible for the policies and decisions throughout the organisation. Values are embedded in all policies and influence all decisions.</p>
<p>Principle 3</p> 	<p>Contemporary Governance Practice: In collaboration with the membership, the Board implements the Governance Review and practises contemporary governance.</p>
<p>Principle 4</p> 	<p>Risk and Compliance: The Board has oversight of organisational risk, external risk controls and compliance, both internal and external, to support the delivery of the Purpose (Mission).</p>
<p>Principle 5</p> 	<p>Organisational Development and Performance: The Board is responsible for building organisational capacity and measuring how RSL Tasmania delivers on its Purpose (Mission).</p>
<p>Principle 6</p> 	<p>Commitment, Accountability and Integrity: The Board demonstrates commitment to its purpose and oversees systems and processes to ensure information flow is timely and supports decision-making. The Board is committed to ensuring the integrity of reporting to members, funders and the wider stakeholder group.</p>
<p>Principle 7</p> 	<p>Veteran and Family Centredness: Veterans and their families are the reason RSL Tasmania exists, and they are intentionally kept at the centre of all governance and management decision-making and strategies.</p>
<p>Principle 8</p> 	<p>Engagement and Participation: The Board proactively supports RSL Tasmania to engage meaningfully and effectively with members, stakeholders and the community.</p>

Full list of recommendations

Purpose and Strategy

1. To ensure relevance now and into the future, RSL Tasmania conducts research on veterans and their families in Tasmania.
2. As a matter of urgency and in collaboration with the membership and key stakeholder groups, RSL Tasmania develops the 2020-2023 (3 year) Strategic Plan and refreshes the Vision and Purpose (Mission).
3. RSL Tasmania convenes annual strategic planning retreats, prior to Congress, to review and/or refresh the organisation's strategy. The annual strategic planning retreat will involve the RSL Tasmania Board (State Executive). The Board will analyse results from ongoing planned engagement with key stakeholders, members and the wider veteran community. The results of the research on veterans and their families will serve as a valuable resource during the development of the 2020-2023 Strategic Plan (see Recommendation 1).
4. The Board reports to the membership at Congress (standing agenda item) on the success of the strategy using the Results-Based Accountability (RBA) model or similar. The Congress should include a facilitated forum to allow feedback from members.

Contemporary Governance Practice

5. The President, Vice-President and individual directors possess the appropriate skills and attributes as outlined in the Board skills matrix and position description documents.
6. The Board of Directors undertakes a plan to transition to a Board make-up that consists of:
 - President
 - Vice-President
 - Three non-executive directors who are members of RSL Tasmania and represent each of the three divisions
 - Four non-executive directors who are independent directors and not members of the organisation.
7. In the new Board structure, the CEO does not sit on the Board.
8. The current Honorary State Treasurer retires from the Board to focus on their normal role of managing Advocacy Services, and the Board considers either appointing an appropriately qualified person (CPA or CA qualifications) to fill the position of Treasurer or removes the role completely as oversight of RSL Tasmania's finances is the responsibility of each individual Board director.
9. RSL Tasmania either appoints a Board director as Company Secretary who delegates specific roles to the Chief Executive Officer or outsources the function.
10. The tenure on the RSL Board is three (3) years, with an option to be extended for another three (3) years if re-elected. To ensure continuity on the Board, timing of elections should be staggered so that a maximum of three Board members are up for election in any one year.
11. The Board makes the minimum necessary amendments to the RSL Tasmania Constitution to support the execution of the governance review and the future execution of the strategy. A full review of the RSL Tasmania Constitution will be conducted once the review of the national Constitution is complete.
12. The Board develops a Board Succession Plan in alignment with the newly updated Constitution.

13. The Board adopts the suite of Board documents that includes but is not limited to:
 - Board Code of Conduct
 - Board director position description
 - Board skills inventory
 - Board induction kit
 - Board policies and procedures.
14. The Charter of RSL Tasmania is reviewed and revised in alignment with the amended Constitution.
15. The Board develops charters for, and formally ratifies the creation of, three Board committees:
 - Finance and Compliance
 - Governance
 - Fundraising and Development.
16. The CEO develops an annual Board agenda for ratification by the Board.
17. The Board of Directors endorses the development of a Delegations of Authority document and supporting policy.
18. To ensure effective governance and decision-making, the Board redesigns the format of the Board agenda to allow content which takes a strategic rather than an operational approach to governing.
19. Board committee meetings are convened two weeks prior to Board meetings and committee reports are tabled in Matters for Noting.
20. Division reports form part of the CEO's report and are presented quarterly to the Board.
21. The auxiliary and volunteer members' reports form part of the CEO's report and are presented twice a year to the Board.
22. The Board Executive meetings and decision-making process cease immediately. Appropriate delegation to be provided to the CEO to conduct the day-to-day operations of RSL Tasmania.
23. The information provided to the Board supports the execution of RSL Tasmania's strategy and is relevant, informative and timely. Board papers are received by the Board no later than seven (7) days before the Board meeting.
24. RSL Tasmania moves to convene Board meetings every two months instead of quarterly due to the volume of work required in response to the governance review and future strategic planning. The duration of Board meetings is reviewed to ensure the annual agenda is covered in the calendar year.

Risk and Compliance

25. The Board of Directors sets the risk appetite for RSL Tasmania—how much risk is appropriate given the aspirations of members and other key stakeholders.
26. The Board of Directors establishes and implements a Risk Management Plan and reviews and evaluates this instrument regularly. In the period until a full Risk Management Plan is developed, the Board develops an Interim Risk Management Plan.

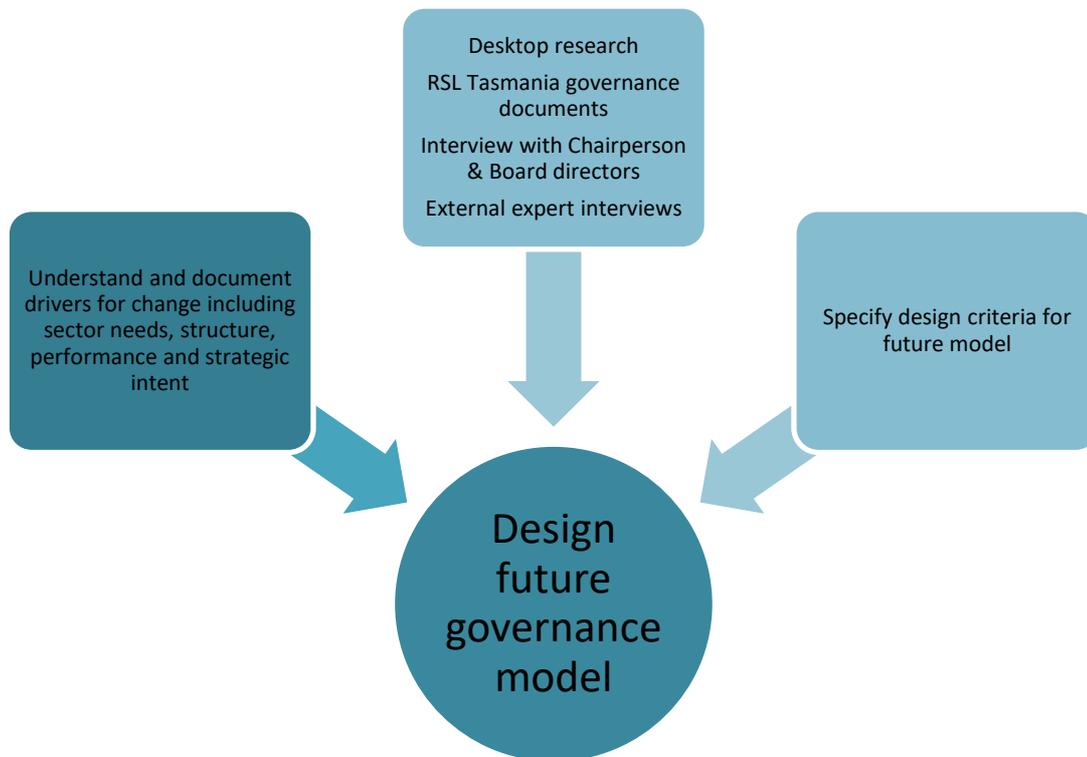
Organisational Development and Performance

27. The Board reviews the role and responsibilities of the CEO to align with contemporary practice, and develops a performance review and appraisal process for the CEO. The Board discusses the process with the CEO to agree key performance indicators (KPIs) and establish clear expectations.

Engagement and Participation

28. The Board creates a Stakeholder Advisory Group or other formal engagement process to partner with non-member veterans, ex-service organisations and other relevant parties. The group will inform and advise on the development of RSL Tasmania's service and membership offerings.

Review methodology



Interviews

- Mr Geoffrey Robert Leitch, Acting President, RSL Tasmania
- Mr Don Mackrill, Vice President, Northern Division, RSL Tasmania
- Mr David Webb, Vice President, Southern Division, RSL Tasmania
- Mr Gavin Pearce, Vice President, North West Division, RSL Tasmania
- Mr Alex Dick, Honorary State Treasurer, RSL Tasmania
- Ms Noeleen Lincoln, Chief Executive Officer, RSL Tasmania
- Mr Terry Roe, Immediate Past President, RSL Tasmania
- Mr Robert Dick, Member, RSL Tasmania
- Mr Ross Byrne, Member, RSL Tasmania

Document review

1. State Executive evaluation questionnaire
2. RSL Tasmania Inc Constitution
3. RSL Tasmania Inc State Executive Charter
4. Strategic Plan 2013-2018
5. Corporate Plan 2014-2018
6. 2017 Annual Report
7. Organisational Chart
8. Member Statistics
9. ACNC Review 2018
10. RSL Tasmania: Governance Overview and Effects on an Organisation's Constitution (Mr Ross Byrne, RSL Member)
11. State Budget Submission

12. Policies and By-Laws
13. Peak Body Status Key Performance Indicators (KPIs)
14. Financial reporting documents
15. Board Agendas
16. Letter from Mr Ross Byrne to Mr T Roe dated 13 July 2018