

# AITPM Board Briefing on the proposed Governance Changes

15 November 2023



## INDUSTRY PARTNERS



## FUTURE MOBILITY PARTNER



## INCLUSIVE MOBILITY PARTNER



## TECHNICAL PARTNERS



# AITPM | Raising the Profile of the Transport Community

AITPM is the leading national membership association for all transport professionals who plan, design, engineer, deliver, operate, manage, measure, and support Australia's transport systems.

Our purpose is to raise the profile and support the transport community through collaboration and capacity building to deliver sustainable, efficient, accessible and safe transport systems.

Our Strategic Plan guides our actions as we evolve our governance to ensure that AITPM is a relevant, inclusive and sustainable organisation.



# AITPM evolution

In 2018, AITPM changed from an Incorporated Association with a National Council to Company Limited by Guarantee - governed by the *Corporations Act 2001 (Cth)*, with a Board of Directors.

Since then, the Board has undertaken several steps to modernise and improve governance processes to enable the Board to better fulfill its duties, including focusing on governance and strategy.

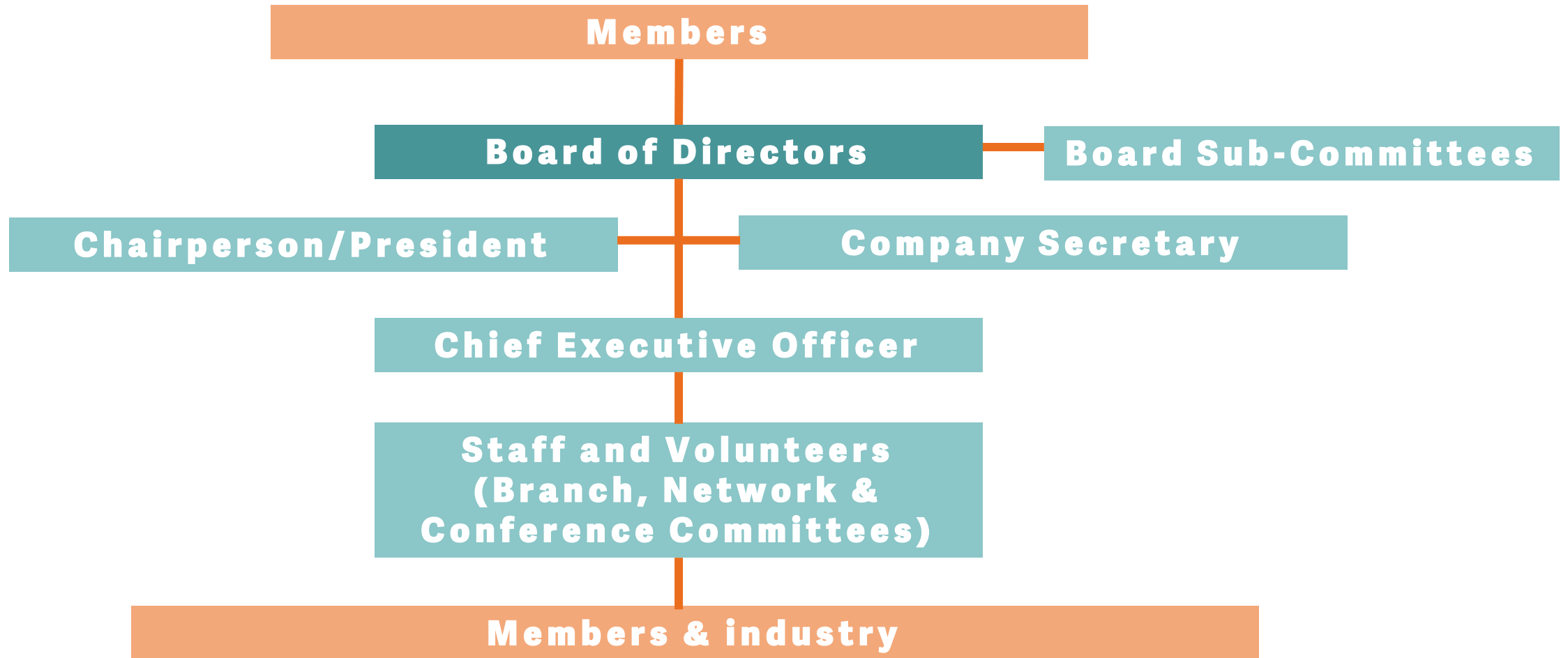
In this time and despite the global pandemic, AITPM's successful journey to maintain its relevance and value in the transport industry is reflected by a:

- 85% increase in members; and an
- 35% increase in annual revenue.

Surveys, industry briefings and direct member feedback has identified the need for the Board to prioritise:

- strategy and governance to ensure that AITPM continues to remain relevant;
- raise AITPM's profile; and
- make a positive impact for the transport community.

# AITPM Governance Structure



# What are the roles and responsibilities of the Board?

The Board has 5 key roles and responsibilities:

- To fulfil the corporate responsibilities of the Board under the AITPM Constitution and Federal law
- To provide leadership and set strategic and policy direction
- To oversee the business and affairs of the Institute, noting that the Board does not directly manage the day-to-day operations of the Institute
- Appoint the Chair of the Board (National President)
- Appoint and evaluate the performance of the CEO

## Board relationship with the CEO & Branches

The Board appoints and CEO to whom it delegates a range of responsibilities:

- The CEO is responsible for the management of the day-to-day affairs of the Institute, in line with the strategic direction, governance and policy framework set by the Board.
- The CEO provides the connection between the Board's strategic direction and the delivery of services, including by the Branches and Networks.
- The CEO provides oversight and direction to Branch Presidents, who lead their local committees to deliver the on-ground operations of AITPM for their geographic region.
- Currently, Branch Presidents are generally playing a dual role with both responsibility for on-ground operations in their region, and as the Branch Appointed Director with responsibility for governance and strategic direction on the Board.

# What will the changes deliver?

With advice and guidance from a governance expert, the Board is proposing changes to its current Board structure and governance.

The proposed changes aim to:

- enable the Board to better fulfill its roles and responsibilities with a greater focus on strategy and governance; and
- reduce the emphasis on operational-focused activities by divesting these tasks to the CEO and the State Branch network.

# How did we get here?

The AITPM Board has been on a 6 year journey to get to where we are today.

We are ready to implement the final recommendations as outlined in this presentation, and in full in our [Discussion Paper](#).

Our thinking has been informed at every stage of the process by:

- the guidance of an independent governance advisor, most recently in 2022;
- membership surveys; and
- industry briefings.

## The journey so far...

### 2018

- Governed by the National Council.
- The National Council comprises five nationally elected office bearers and five State Branch Presidents.

### 2018 & 2019

- AITPM is established as a company limited by guarantee.
- New Constitution is formed and the National Council transitions to a 10-member Board of Directors.
- Board Charter created and sub-committees formed.
- Board increases focus on strategic direction and governance, while still responsible for operations.

### 2020 & 2021

- Full time CEO appointed to manage AITPM operations.
- Board releases a five-year strategic plan (2021-2025).

### 2022 & 2023

- The Board focuses more acutely on governance and providing strategic direction.
- Branch Charter widens eligibility for committee and office bearer positions.
- The Board conducts member surveys and conducts a series of facilitated Board workshops to continue AITPM's governance evolution.

### August 2023

- Board proposes changes to Board size, structure and eligibility and defines a series of recommendations to support a stronger focus on governance and strategic direction to ensure AITPM maintains relevance.



# Why does the Board need to change?

Fundamentally, the **composition of the AITPM Board** needs to change to better reflect, and respond to, the diversity of its evolving membership.

The changes will equip the AITPM Board with the appropriate skills, competencies, experience and geographic diversity to provide strong governance and develop, review and lead the strategic direction of the Institute.

Changes to **eligibility criteria** and **the length of office** is the pathway to achieving these goals.



# The specific drivers for change

1. **A more strategic focus** - Adopting the new model means the Board will be less concerned with operational matters, while ensuring that AITPM remains strategically focused.
2. **Maintaining relevance** - A member-elected director from each region will ensure the Board remains relevant and understands the strategic context of the transport environment in each state as well as nationwide.
3. **Democratic regional representation** - The proposed change to have members democratically elect a director empowers our member base and aligns with broader democratic practices.
4. **The inclusion of a broader, more diverse set of skills and knowledge** - Easing the eligibility criteria will broaden the pool of candidates and enable members with complementary skills, capabilities and fresh perspectives to serve as directors.
5. **Delivering on our strategic plan** - These proposed changes represent the final recommendations of an eight-year transformational journey undertaken by the Board to deliver a stronger focus on governance and strategic direction.

# What are the risks if we don't change?

There are risks associated with change, but there are also risks associated with NOT changing. For AITPM, these could include:

- The Board does not deliver effectively on its objective to remain relevant to its members and the industry it represents
- The Board is focused on operational matters and fails to deliver on its Strategic Plan in a timely manner
- Branch Presidents are overburdened, and it becomes more difficult to attract local volunteers willing to fulfill the dual role.
- Limited by the current eligibility criteria, the Board's composition does not reflect the skills, experience and diversity required to meet its 5 key roles and responsibilities
- The industry loses faith in AITPM as a relevant membership body, ultimately reflected in a decline in membership numbers.

# Scope of the governance changes

The proposed changes relate to the Board of Directors only, and **do not** change the relationship, roles or responsibilities of the CEO or Branches.

The changes proposed to the Board of Directors address:

- **Eligibility** – An easing of the eligibility criteria for members to serve as a director.
- **Size and composition of the Board** – The Board will be changed from five member-elected, and five state branch-appointed directors to five member-elected directors (one from each region) and up to four additional directors appointed to address skills, experience and diversity needs.
- **Length of office** – The terms of office for the five elected directors will increase from two years to three years.

A detailed look  
at:

1. SIZE AND  
COMPOSITION  
OF THE BOARD

# Size and composition of the Board - CURRENT

## Current

- The Constitution requires that the Board will comprise:
  - *Branch Appointed Directors - Each of up to 5 Branch Committees may appoint 1 Director, subject to clause 56.5; and*
  - *Up to 5 Elected Directors*

The current Branch Charter provides that the Branch Appointed Directors be the Branch President.

If the Branch President is unable or unwilling to fulfil the role, nominations will be sought from other eligible committee members, and failing that, from nominations will be sought from eligible members in the Branch.

## The need for change

- The increased pressures on Branch Presidents including from the growth of AITPM, impacts on their capacity to perform the dual role.
- There is a conflict between the operational role of Branch Presidents and the role of a Director, which is impacting on the ability of the Board to collectively focus on strategy and governance.
- Position-based Director appointments are limiting the skills, experience and diversity available to the Board.

# Size and composition of the Board - PROPOSED

## PROPOSED

1. Remove the Branch Appointed Directors
2. The 5 Elected Directors will be elected to represent the regions, i.e. one Director per Region (currently QLD/Vic-Tas/SA-NT/NSW-ACT/WA) noting that:
  - Directors are to be elected on a rotational basis
  - Directors must not be the Branch President or other general committee member (refer eligibility).
3. Add the option for the Board Appointed Directors who shall be:
  - Appointed to ensure that the Board can undertake its fiduciary duties.
  - No more than 4 in number
  - Appointed by Board as a whole, for minimum of 1 year and no longer than three 3-year terms [maximum of 9 years concurrently]
  - Exercising the appointment to not be limited to a particular time of the year

# 1. Removal of Branch Appointed Directors – Benefits of Proposed Changes

The removal of Branch Appointed Directors and the change to 1 Elected Director per region will:

- Provide for a democratically elected Director for each region, noting that currently the Branch representation on the Board is not always democratically elected by the membership, particularly in smaller jurisdictions where Branch Committee elections may not be held.
- Widen the opportunities for more candidates for Director in each region due to the position not being linked to committee membership/office bearer status.
- Enable Branch Presidents to focus on the management and operation of the Branch.
- Reduce the operational focus and remove possible conflicts of interest on the Board between state based operational agendas and strategic Board decisions.



## 2. Voting for Member Elected Directors: process

All eligible members will have the right to vote annually for 1 candidate for Elected Director for each region where there is vacancy (subject to receiving more than one eligible nomination), regardless of which region the voter resides. Voting remains optional.

This voting method will:

- Ensure that all eligible members will have the opportunity to engage in the governance of AITPM by voting each year for a Director in for least one region
- Reduce the potential of voting being influenced by local popularity, and instead encourage a wider group of voting members to carefully consider candidate nomination statements, experience and relevant qualifications in making their assessment of candidates

### 3. Appointed Directors process: Nominations Committee

The Board will have the option to appoint up to 4 additional directors, driven by the need at various intervals to complement and enrich the Board's skills and experience.

It is proposed that the Board establish a Nominations Committee comprising a majority of current directors (but for those directors who are renominating) to support the selection of any Appointed Directors by:

- Developing and maintaining a Board skills matrix.
- Meeting after each AGM, and as otherwise necessary, to consider the diversity and skills matrix of the Board.
- Identifying the skills/capability/diversity or other gaps in any current Board composition and advise the Board on those gaps.
- Undertake or participate in the identification/recruitment of any Directors as required.
- Carefully considering Director appointments and only proceeding when there is demonstrated strategic need.

### 3. Appointed Directors – Benefits of Proposed Changes

Increasing the focus on Director skills, experience and diversity will:

- Enable the Board to better reflect the diversity of the AITPM membership and wider transport community, which is a diverse group of people with various geographic, employment sector, generational, gender and other areas of difference.
- Focus the Board's attention on ensuring that strategic directions consider the needs of all members and thereby maintaining and increasing our relevance.
- Provide the opportunity for the Board to utilise areas of experience and expertise that may not commonly be delivered by Elected Directors, that can guide the Board's strategic direction and influence decision making in the best interest of AITPM. Examples may include people with qualifications and experience in:
  - Business development and financial acumen
  - Governance and legal
  - Adult education
  - Strategic business marketing and communications
- Create opportunities for succession planning, including generational pathways

A detailed look  
at:

2. ELIGIBILITY

# Eligibility - CURRENT

## Current

The Constitution required that Directors must be:

- *a Full Member;*
- *have previously served on a Branch Committee for at least one full term; and*
- *have previously been elected as an office bearer on the Branch Committee.*

## The need for change

- The current eligibility criteria restricts the pool of potential Board candidates to **less than 10%** of our membership. This significantly limits the diversity of experience, qualifications, skills and perspectives reflected on the Board.
- Members who do not live in the 5 capital cities, due to geographic barriers, are often not able to meet the criteria of serving as a Branch officer bearer.
- The requirement to serve on a Branch Committee for a full term is a significant barrier to senior industry professionals who have not, or would not, have the capacity for such a commitment. This limits the pool of senior, experienced professionals who can add immeasurable value in raising the profile of AITPM and providing valuable strategic and governance expertise.

# Eligibility – PROPOSED

## Proposed

Change the pre-requisite and membership requirements to be a Director to reflect:

- Candidates for Elected Directors must be a Full Member or eligible to be a Full Member, noting that prior to commencement on the Board, Elected Directors must be a Full Member.
- Candidates for Appointed Directors must be eligible for financial membership, which can include belonging to an organisational subscription such as Government Subscriber or being an Affiliate member, noting that prior to commencement on the Board, Appointed Directors must be a financial member.

Upon election or appointment to the Board, Directors must resign any role they may hold on a Branch Committee, Transport Modelling Networking Committee, and/or Emerging Professional Network Committee.

## Eligibility – Benefits of proposed changes

Changes to eligibility will:

- Remove barriers for members to serve as a Director
- Increase the pool of talent available for the AITPM Board
- Increase the opportunity for greater diversity of skills and experience
- Increase the potential to attract high profile industry candidates
- Reduce the operational focus and remove possible conflicts of interest between state based operational agendas and strategic Board decisions
- Increase the opportunity for a more strategically focused Board

A detailed look  
at:

### 3. LENGTH OF OFFICE



# Length of office

## CURRENT

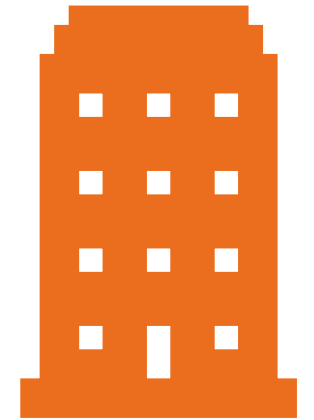
- The terms of office the current Elected Directors is 2 years.
- The current term for Branch Appointed Directors is 2 years, noting that some may serve only 1 year if their term on the Branch Committee ceases during that period.

## PROPOSED

- The terms of office for the five Elected Directors is proposed to be 3 years, with a maximum of 3 consecutive terms, following which there must be a 12-month break before returning to the Board.
- Appointed Directors are proposed to be appointed for minimum of a 1-year term and no longer than three 3-year terms at the Board's discretion (maximum of 9 years concurrently).

## BENEFITS

- 3-year terms are considered governance best practice and will provide for great continuity and a more stable Board.



# When is it proposed these changes would take place?

- It is proposed to seek Member endorsement of the proposed changes to the constitution at a General Meeting in March 2024
- There would be a gradual transition over **two to three years** starting from when the proposed changes are adopted.
- As members of the current Board finish their terms, the election and appointment of new Board members would follow the proposed model based on the revised eligibility criteria.
- A detailed transition plan will be prepared by the Board to ensure an appropriate level of continuity and stability of the Board throughout the change process.

# What the changes mean to the relationship between Board, CEO, Branches and Members

The proposed changes relate to the Board of Directors only, and **do not** change the Board's relationship with the CEO, Branches or Members.

- The Board is still elected by the Members, with a limited number of additional Directors appointed to strengthen the Board, where necessary.
- The democratic election of a Director for each region provides representation for each Branch.
- The CEO remains the connection between the Board's strategic direction and the delivery of services, via the Branches, by providing oversight and direction to Branch Presidents, who led their local committees to deliver the on-ground operations of AITPM for their region.
- Linkages to ensure there is mutual understanding between the Board and Branches, in addition to the connection via the CEO, will be detailed in the Board Charter and Branch Charter and will likely include initiatives such as:
  - An Annual Strategic Workshop or other similar forum for sharing input
  - Director attendance at some Committee meetings and events

How does this proposal compare to other similar types of membership organisations

- **Roads Australia** – proposed: 7 elected, 5 appointed
- **Engineers Australia** – 6 elected, 2 co-opted
- **Planning Institute of Australia** – 1 elected by each Division, 1 Young Professional appointed, incoming President elected from the membership
- **Australian Institute of Landscape Architects** – 5 elected, 2 appointed

# What are the next steps?

- **September – November 2023:** Distribution of the Discussion Paper and engagement with members
- **October – December 2023:** Draft the changes to the Constitution arising from Discussion Paper
- **January – February 2024:** Issue Notice of a General Meeting
- **February - March 2024:** Ratification of new Constitution via Special Resolution at General Meeting

The Board is available to discuss the proposal during these periods.

**You can view the Discussion Paper in full by scanning this QR code:**





QUESTIONS?