



MANAGEMENT RESTRUCTURE AND CONSTITUTIONAL REFORM

In this document references to Gliding Australia means the Gliding Federation of Australia Inc.

Introduction

At the 2022 AGM, the President in his report to Members, outlined changes that the Board is recommending, bringing about important reforms to the management of Gliding Australia. This proposal outlines those changes that will provide improved efficiencies and effectiveness of Gliding Australia's management structure and assist with Gliding Australia's successful transition to becoming a PART 149 Approved Self-Administering Organisation (ASAO), with greater autonomy and less reliance on CASA.

Management Reform

At the Gliding Australia's Annual Council Meeting held in September 2004 a paper titled, *Reformation of the GFA Management Structure* was presented, proposing sweeping changes to the way in which the GFA was to be managed. At the 2005 AGM these changes were accepted by Members and subsequently implemented. Although there have been some alterations to the Articles since then, they have been relatively minor and have not substantially affected Gliding Australia's management structure.

Within the paper there was a sub-section titled, *Concept of the Separation of Powers*. It is copied here for reference:

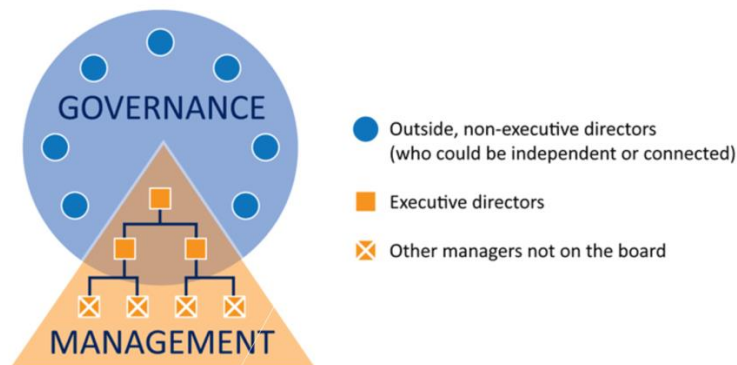
Concept of the Separation of Powers.

This is made part of the fundamental structure of the management system because of the strong need for good corporate governance, consultation and stability required of the GFA because of its function as the regulator of our sport and because it manages members' funds. The only dilution of this concept is that the CEO powers reside in the Executive which is chaired by the President who is also chair of the Board. While even this partial failure to separate these functions of the Board (policy setting) and the Executive (implementation) may not normally be regarded as good practice, the size of our organisation, the fact that the President is elected and is not a paid employee and that this position is the chair of the executive committee all combine to make this outcome preferable to having two elected 'heads' of the GFA.

However, accordingly, it is fundamental to the operation of this structure that the GFA President be very careful to act appropriately to ensure he/she is an effective chair and maintains leadership of both groups ensuring that policy remain the sole province of the Board and implementation the sole provenance of the Executive. In recognition of this it is proposed that the Board consider the suggestion that the President has a casting vote only on both the Board and the Executive to be exercised only in the event of a tied vote.

The Gliding Australia Board believes our current structure enshrines the very issues that are highlighted above. It would be better to structure our organisation to avoid possible conflicts of interest such that it can deliver on the principle of Separation of Powers, rather than rely on the skill of a President. It is time that changes be made that will provide a clear line

between Board (policy and governance) and Executive (implementation management) responsibilities.



Currently Gliding Australia can have up to 18 members on its Board which is far too many for an organisation such as Gliding Australia. It is interesting to note that The Big Australian, BHP, has 13 directors on its Board.

This proposal sets out a way where a distinct separation between the Board and Executive can be achieved. Under the proposed model the Executive does not sit on the Board as currently happens, but is represented on the Board through a Chief Executive Officer.

We also need to consider and implement changes to our management structure that would allow us to meet self-administration requirements under CASR Part 149 legislation.

Under this proposal the Board would comprise:

- A Chair of The Board elected in the same manner as currently applies to the President
- A representative from each of the 5 Regions – elected in the same way as is current practice.
- A Woman’s Representative appointed by a democratic process.
- A Junior representative appointed in a similar process to the Women’s Representative.
- A Treasurer appointed by the elected Board members.
- A Secretary appointed by the elected Board members.
- The Chief Executive Officer (Accountable Manager) appointed by the Board on recommendation from the Executive.

This model makes no mention of the current role filled by the President as that is replaced by the Chair of the Board. All members of the Board will have equal voting privileges.

The Executive would comprise:

- The Chief Executive Officer (Accountable Manager).
- Chair of the Operations Panel.
- Chair of the Airworthiness Panel.
- Chair of the Soaring Development Panel.
- Marketing and Development Manager.
- Information Systems Manager.
- Safety Manager, who may also provide direct advice to the Board.
- Treasurer.

Chairs of the Operations, Airworthiness and Soaring Development Panels would be decided as is current practice, ie, by nomination of their respective peer group and confirmation at the AGM. The Chief Executive Officer to be selected from candidates meeting the requirements of a Part 149 compliant job specification and appointed by the Board. The Safety Manager would be appointed by the Chief Executive Officer following Board ratification. The Marketing and Development Manager and the Information Systems Manager would be appointed by the Chief Executive Officer. The Treasurer, who also sits on the Board, would be appointed by the Board.

This model makes no mention of the current Executive Officer position. This proposal would eliminate that position as it would be expected that the Chief Executive Officer would undertake those responsibilities. The Chief Executive Officer, as is the current Executive Officer, would be a professional position and hence a paid role.

There are no proposed changes to the supporting management structure “below” the Executive.

Under Part 149 an ASAO must have 4 prescribed positions. They are named in the documentation as:

- Accountable Manager (AM). It is proposed that the Chief Executive Officer would fill this role.
- Safety Manager (SM). The Safety Manager would fill this role.
- Head of Flight Operations (HOFO). The Executive Manager Operations would fill this role.
- Head of Airworthiness (HAM). The current Chief Technical Officer whose title will change to Executive Manager Airworthiness would fill this role.

It is expected that the above proposed changes would help to improve overall management efficiencies and meet the requirements of a Part 149 approved ASAO. Our draft Part 149 Exposition is being developed with these positions explicitly identified in revised MOSPs and supporting manuals. This work is well advanced to meet a December 2022 deadline.

Constitutional Reform

We currently refer to our constitution as ‘Articles of Association’. This term is more correctly associated with a company structure rather than an incorporated association, such as Gliding Australia. It is proposed to change the title of “Objects and Articles of Association of the Gliding Federation of Australia Inc.”, to “Constitution of the Gliding Federation of Australia Incorporated trading as Gliding Australia”.

Along with changes that support the concept of “separation of powers”, and compliance with Part 149 legislation, this constitutional reform proposal also considered matters where the current articles may not be in compliance with legislation (2012 Victorian Reform Act). A review was undertaken and several, very minor changes have been recommended. These mainly relate to minor omissions and slight wording alterations.

The Board Regulations are in place to document decisions made by the Board. The Articles require that the Regulations be maintained as a stand-alone document. Under Part 149 this adds an additional layer of documentation that will have to be addressed in any auditing assessment and it is a complication that is unnecessary. It is therefore proposed to eliminate the requirement to maintain the Board Regulations, and reduce bureaucracy, as decisions made by the Board and Executive are:

- Recorded in the minutes.
- Transposed to the various MOSP documents or other policy documents.

The Board Regulations do not fill any gaps that cannot be done in other, already established ways and are therefore superfluous.

It may be that there are additional areas within the Articles where Members would like to see change, but the Board decided it was important to focus on the “big” changes that will provide the most effective reform to meet our current needs. Once the matters at hand have been agreed and implemented, further refinement of constitutional structure could be considered.

This table summarises the significant constitutional changes

	Existing Objects and Articles of Association	Proposed Constitution
Notation	<i>Roles changed or deleted are shown in italics.</i>	<i>Significant changes are shown in italics and red.</i>
Board makeup	<p>Up to 18 members (varying vote weighting):</p> <p><i>The President, elected by the Board (1 vote) and also chairs the Executive.</i></p> <p><i>Up to two Vice Presidents, elected by the Board (1 vote each).</i></p> <p>Treasurer, appointed by the Board (1 vote).</p> <p>5 Regional Board Representatives (2 votes each), nominated by the Regions and ratified at the AGM.</p> <p><i>The Immediate Past President, optional, one year only (1 vote).</i></p>	<p>11 members (one vote each):</p> <p>Chair of the Board, elected by Regional Board Representatives.</p> <p>Treasurer, appointed by the Board.</p> <p><i>Secretary, appointed by the Board.</i></p> <p>5 Regional Board Representatives, nominated by the regions and ratified at the AGM.</p>

	Existing Objects and Articles of Association	Proposed Constitution
	<p>Juniors' Representative (elected by Australian Junior Gliding Club) (1 vote).</p> <p>Women's Representative appointed by the Board but only if insufficient women on the Board, ie, less than 30% (1 vote).</p> <p><i>National Member Protection Information Officer (no vote).</i></p> <p><i>Chair of the Operations Panel (1 vote), elected by the Operations Panel.</i></p> <p><i>Chair of the Airworthiness Department (1 vote), nominated by the RTOAs.</i></p> <p><i>Chair of the Soaring Development Panel (1 vote), appointed by recommendation of the Soaring Development Panel.</i></p> <p><i>Marketing and Development Manager (1 vote), appointed by Board.</i></p> <p><i>Chief Experience Officer (1 vote), appointed by Board.</i></p> <p>Quorum, 10 Board members.</p>	<p>Juniors' Representative, appointed by the Regional Board Representatives following a democratic peer group recommendation.</p> <p><i>Women's Representative, appointed by the Regional Board Representatives following a democratic peer group recommendation.</i></p> <p><i>National Member Protection Information Officer will not be a Board member but will become an Officer of Gliding Australia appointed by the Board.</i></p> <p><i>Chief Executive Officer (appointed by the Board) who also chairs the Executive</i></p> <p><i>Safety Officer may be a non-voting advisor to the Board.</i></p> <p><i>Other specialist advisors may be invited, depending on issues and risks.</i></p> <p><i>Quorum, 6 Board members.</i></p>

	Existing Objects and Articles of Association	Proposed Constitution
Executive makeup	<p>Up to 10 members:</p> <p><i>The President.</i></p> <p>Treasurer.</p> <p><i>Up to two Vice Presidents.</i></p> <p><i>The Immediate Past President, optional, one year only.</i></p> <p>Chair of the Operations Panel, elected by the Operations Panel.</p> <p>Chair of the Airworthiness Department, nominated by the RTOAs.</p> <p>Chair of the Soaring Development Panel, appointed by recommendation of the Soaring Development Panel.</p> <p>Marketing and Development Manager, appointed by Board.</p> <p>Chief Experience Officer (CXO), appointed by Board.</p> <p>Safety Manager appointed by the Board.</p> <p><i>Quorum, 6 Executive members.</i></p>	<p>8 members:</p> <p><i>Chief Executive Officer, who is also a member of the Board.</i></p> <p>Treasurer who is also a member of the Board.</p> <p>Chair of the Operations Panel, nominated by the Operations Panel and appointed by the Board.</p> <p>Chair of the Airworthiness Panel, nominated by the Airworthiness Panel and appointed by the Board.</p> <p>Chair of the Soaring Development Panel, nominated by the Soaring Development Panel and appointed by the Board.</p> <p><i>Marketing and Development Manager (appointed by the Chief Executive Officer).</i></p> <p><i>Information Systems Manager, appointed by the Chief Executive Officer.</i></p> <p><i>Safety Manager appointed by the Chief Executive Officer with Board ratification.</i></p>
Board responsibilities	<p>Manage the association's business.</p> <p>It may raise money in any form in the pursuit of its objects and shall be required to pay all debts as and when due.</p>	<p>Oversee the Association's business</p> <p>The Association may raise money in any form in the pursuit of its objects and shall be required to pay all debts as and when due.</p>

	Existing Objects and Articles of Association	Proposed Constitution
	<p>The Board may convey certain powers to others from time to time to allow all debts to be met.</p> <p>The Board shall arrange for a record of all appointments of officers.</p> <p>The Board shall arrange for a record of minutes of all Board meetings which shall be approved by the Board and endorsed by the Chairman at the next meeting.</p> <p>Minutes shall be available to all Members.</p> <p>The Board may delegate any of its powers to one or more Committees consisting of Members which the Board determines from time to time. Any powers so delegated may be revoked by the Board at any time.</p> <p>The Board may appoint and revoke the appointment of such officers as it chooses from time to time as it thinks necessary or desirable to carry out the objects of the Association. The Board shall regulate their duties and may delegate powers as it considers appropriate.</p> <p>The Board shall ratify the appointment of all unpaid officers of the Association.</p> <p>The Board may from time to time invite advisors (ex officio) to be available to the Board or the Executive for the purpose of continuity, experience, or expertise.</p>	<p>The Board may convey certain powers to others from time to time to allow all debts to be met.</p> <p>The Board shall arrange for a record of all appointments of officers.</p> <p>The Board shall arrange for a record of minutes of all Board meetings which shall be approved by the Board and endorsed by the Chair at the next meeting.</p> <p>Minutes shall be available to all Members.</p> <p>The Board may delegate any of its powers to Committees consisting of Members which the Board determines from time to time. Any powers so delegated may be revoked by the Board at any time.</p> <p><i>The Board shall ratify or decline the appointment of paid officers of the Association.</i></p> <p><i>The Board will appoint, manage performance, and determine the remuneration package of the Chief Executive Officer.</i></p> <p>The Board may from time to time invite advisors (ex officio) to be available to the Board or the Executive for the purpose of continuity, experience or expertise.</p>

	Existing Objects and Articles of Association	Proposed Constitution
Executive responsibilities	<p>The Executive shall administer day to day matters of the Association.</p> <p>Meetings of the Executive shall be minuted with minutes available to all members of the Board.</p> <p>Decisions at Executive meetings shall be by consensus or a show of hands. In the event of a tie of the Executive, retention of the current situation shall prevail.</p> <p><i>Meetings shall be convened by the Secretary on instruction by the President or a Vice President and shall be as required.</i></p> <p>The Executive shall draft an annual budget for the Board's consideration and approval.</p> <p>The Executive shall keep the accounts of the Association as near as possible to the budgetary requirements and through the Secretariat, ensure Members' needs are met and the proper working of the Association achieved.</p> <p>The Executive shall cause any significant matters of policy to be referred to the Board for consideration.</p> <p>The Executive shall select all staff and fix their salaries and duties and be responsible for reviewing their conduct and performance.</p> <p>The Executive shall have the power to co-opt any Member(s) for particular functions or tasks as may be required and varied from time to time.</p>	<p>The Executive shall manage and administer day to day matters of the Association.</p> <p>Meetings of the Executive shall be minuted with minutes available to all members of the Board.</p> <p>Decisions at Executive meetings should be by consensus with ultimate decision-making responsibility falling to the Chief Executive Officer.</p> <p><i>Meetings shall be convened by the Chief Executive Officer.</i></p> <p>The Executive shall draft an annual budget for the Board's consideration and approval.</p> <p>The Executive shall keep the accounts of the Association as near as possible to the budgetary requirements to ensure Members' needs are met and the proper working of the Association achieved.</p> <p>The Executive shall cause any significant matters of policy to be referred to the Board for consideration.</p> <p><i>The Executive shall select all paid staff except for the Chief Executive Officer and fix their salaries and duties and be responsible for reviewing their conduct and performance.</i></p> <p>The Executive shall have the power to co-opt any Member(s) for particular functions or tasks as may be required and varied from time to time.</p>

Part 149

Part 149 is legislation that was enacted in 2018 and it lays out the rules around how aviation sporting organisations, like Gliding Australia, can become self-administering. Currently we rely on exemptions to the CARs and CASRs to carry out our gliding specific functions, and if we don't become a Part 149 Approved Self-Administering Organisation (ASAO), in the future, we will have to pay CASA for the time it spends processing our exemptions which will be ongoing and prohibitively expensive.

The big advantage for ASAOs is that they will have greater autonomy over their whole of business operations, but with these enhanced freedoms comes added responsibilities. We will need to establish effective self-auditing and change management processes that identify risk and safety as core elements, and of course, as happens now, we will be audited by the regulator (CASA) to ensure our compliance. The requirements around this are quite complex and are specified in the Part 149 Manual of Standards.

A Part 149 team, led by the Chair of the Airworthiness Department has been drafting the formal Exposition, with changes to MOPSs and supporting manuals, and meeting with CASA and other Sporting Aviation organisations to achieve this transition with minimised costs and overheads.

Cost Impact

The overarching document that will support our application is called an Exposition. It was originally due for submission to CASA last December but as often happens the timeline was unrealistic, and it has now been extended to 3rd December 2022. It is vital that we meet this deadline to ensure CASA's consideration of our Exposition is done on a no-cost basis. Submissions after that date will require CASA to charge for time spent at an hourly rate, which is currently set at \$160 per hour. This is not CASA being difficult or greedy, it is legislation enacted by the Australian Parliament.

The development of our Exposition and the suite of supporting documentation is quite mature, meaning we will be able to place our submission with CASA before the 3rd December cut-off ensuring our submission is considered on a no-cost basis.

Under the current rules the implementation of the changes to become a Part 149 ASAO must be made by December 2023. Should we delay our Part 149 Exposition submission the estimated cost to Gliding Australia for a future submission would be in the order of \$150,000, but it could be considerably higher.

On the other hand, should we choose not to become a Part 149 organisation and continue to operate as we currently do, we will still need to apply for Exemptions to the CARs and CASRs. This will be costly with an estimate in the order of \$100,000 in the first instance, with ongoing costs and administrative burdens every three years when the Exemptions require renewal.

As mentioned earlier in this document, under Part 149, we will be required to appoint an Accountable Manager who will become Gliding Australia's Chief Executive Officer. The Board's expectation is that this will be a part-time role, equivalent to 0.8 of a full-time position. Naturally, this will mean an increase in the cost of operating overheads and is expected to be in the order of an additional \$70,000 per annum.

Executive Manager Operations, and Executive Manager Airworthiness will continue as part-time paid positions. The Safety Manager remains as a volunteer position. Our office staff, who provide support to all members, continues unchanged.

We are also mindful of costs and overheads borne by Regional Associations, Clubs and Members. Much effort is going into embedding our current ways of doing business in our Part 149 Exposition, reducing administration and simplifying documents and processes where possible. A new MOSP Part 5 SMS has been developed and many existing manuals updated, eg, Integrity Policies. The “spring cleaning” of documents has been beneficial. In our dialogue with CASA, we are assertive in emphasising that our activities under Part 149 must be fit for purpose and appropriate to a volunteer-based sporting organisation. The new organisational structure supports this.

Where to From Here?

An Extraordinary General Meeting (EGM) is planned for Wednesday, 16th November 2022 where Members will be asked to vote in support of the Proposed Constitution.

In the meantime, here are some links that will provide further information:

- [Current Articles of Association](#)
- [Proposed Constitution](#)
- [Articles of Association V Proposed Constitution – Rule location cross reference](#)
- [FAQ](#)
- [Ask Additional questions](#)

The Board also proposes to present the proposed reforms to Members via webinars prior to the EGM, where Members will have opportunities to ask questions and seek clarification.

Gliding Australia Board
October 2022