



*President : Gavin Dicoski — Senior Vice President:: Malcolm Saunders - Junior Vice President : Steven Pattel
Secretary : Maureen Capri – Treasurer: John Lane*

The President and Management Committee,
All AKA Clubs,

Friday, January 23, 2009

Ladies and Gentlemen,

Re: Recent Changes to the proposed AKA 'Governance' Constitution

In November 2008, the AKA executive submitted a revised 'Governance' constitution which is significantly different to the model finally accepted by the NKC in February 2008.

The model finally accepted by the NKC in February 2008, had been produced over 5 years and gone through at least 9 changes to get there. We don't know why after all those years, and after everyone was satisfied, and no one has suggested any change in the meantime, the Secretariat now wants to go down this track. In any event, the Queensland clubs at our SKC meeting last weekend, rejected changes and ratified our support of the approved model.

As our solicitor, Graeme Hancock, has overseen the Governance project since it began in July 2003, we have asked him to comment and the following come from him. For easy reference, we will call the model approved by the NKC in February 2008, the 'Approved model' and the one presented to the NKC in November 2008, the 'Secretariat model'.

The Approved model has these essential points:

1. The AKA move to a company limited by guarantee;
2. The clubs will be the ordinary members who vote on elections and have the power in general meeting to change decisions of the Board of Directors;
3. A nominee for election to the Board is required to nominate for one of the 5 designated board roles; (Administration, Finance, Competition, Technical, Marketing and Promotion)
4. A nominee must be qualified for the position nominated for and generally suitable to sit on a board;
5. A Human Resources management company will vet nominations to ensure nominees are qualified for the positions nominated for;
6. The Board would elect a chairman from amongst it's members;
7. The AKA would carry on the operation of the sport until the Board had been elected and were ready to take over.

The Secretariat model differs significantly in the following respects:



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1. The AKA remain as an incorporated association under the Associations Incorporation Act (Victoria);
2. The states will be the ordinary members who vote;
3. A nominee for election to the Board does not need to nominate for a specific board position; The Board will appoint the elected persons to the specific board positions.
4. A nominee for election does not need to be qualified in any of the 5 designated board positions;
5. The HR exercise does not include ensuring a nominees ability to carry out any of the 5 designated board positions;
6. The Board will appoint an independent chairman; (from outside the elected board members)
7. The current secretariat will be the initial board and they will appoint a 5th board member. 2 of them will resign at the next AGM, 1 at the 2010 AGM and 2 at the 2011 AGM.

Whilst the Australian Sports Commission says an organisation operating in more than one state must move to a company limited by guarantee, we can leave that aside for now because it's not crucial. The Queensland clubs otherwise say none of these changes are acceptable because:

- A. The States as members has failed in the present structure;
- B. The clean sheet advocated by CAMS, the ASC and the Coogee delegates in 2003 included removing states parochiality and leaving the baggage of the past behind us;
- C. Clubs should be the voters because that is where the sport is run. It is the same 10 to 12 people in each club Australia wide that do 99% of the work running karting and those people are the root stakeholders who should have the power to elect the board and the ultimate power of changing board decisions if necessary;
- D. A board is not going to function in best management form if, for example, a lawyer is appointed to be the marketing and promotion director. Best management practice requires someone who is qualified in M and P to be the M and P director, someone who is qualified in Finance to be the Finance director etc
The whole philosophy of best management practice is to have people qualified to do certain jobs put in those positions.
- F. It isn't necessary for the Board to appoint an outside chairman, and in fact, it is desirable to have one of the elected board members as the chairman. In other words, one of the people the clubs have elected should be the chairman, not someone perhaps entirely unknown.
- G. The current secretariat are not qualified as board members and having them is not a clean cut from the past. Having 2 of them remain until the 2011 AGM continues the present regime well beyond it's use by date and nobbles the real



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role of the Board which is to set the strategy of the organisation for the foreseeable future and put the plan into practice.

The Queensland clubs encourage you to support us and tell your SKC to reject the recent changes and ratify the Approved model.

Regards,

AKA (Qld) Inc.