

Part one of this series is under the thread “Queensland Governance – Questions for Mr Spanner”. This is part two.

Background of best management practice

Some background first for newcomers and for Qld club members who are still confused.

At the heart of best management practice is recognising that there are two facets in sport, the sport itself and the business of the sport. **At the moment in karting, if our officials have any business skills it is not by good management, it is sheer luck.** Almost to a fault I’d suggest, Management Committees across Australia are ex-karters, parents of current or ex-karters or both, or are from the karting industry. They have put their hand up because someone has to do the job.

And please don’t think I am being critical of the personnel or call me a hypocrite because I sued the AKA. Litigation is an unfortunate but common aspect of business and there’s no doubt the experience has improved the business process of the AKA. But it doesn’t reflect badly at all on the personnel. **It is the system and structure that cause the problems.** The personnel are wonderful, well intentioned people who give up their precious time for the good of the sport unlike 99% of us who do nothing but whinge and complain on this forum. Given the equipment we saddle our officials to work with, (the constitution, rules and regulations) they do a very good job. These are also the first people who say we know it could be better but we’re not Kerry Packer’s or Frank Lowy’s so we need those sorts of people to run our business and leave us to look after the sport. That’s what they said at Coogee in July 2003 when the national movement started. I know, I was there.

So if we’re going to manage the sport itself (all the requirements for racing karts) and the business of the sport (the administration, finance, insurance, audit, legal, marketing and promotion of our product) we need to give a group of people who have the necessary skills in each area, free rein to go and do their thing while we sit back and reap the benefits. Or so the theory goes. Make our money work for us; put our resources into what will benefit us most.

We put that into practice in a constitution which places the **entire** governance and management of the organisation in a skilled board of Directors over which we have **little** control. This is a key difference to our council/management regime where we trust the Management Committee to manage the show between Council meetings. This is manage **and govern and from year to year** because there’s only 2 ways to overrule a Board decision and that’s not elect whoever is up for re-election next AGM or overrule them in general meeting in which case you need to be ready to install a new board because they’d all resign.

I’m hoping by now that most people accept they have no real say whatsoever, let alone control, under the present regime so they’re not at all concerned to trust in a skilled board. And why wouldn’t you sacrifice some control or power if you get a Packer or Lowy to sit on your board ? And while Packer/Lowy is an extreme I use as an example, I don’t think it’s a ridiculous notion to think we might attract a real high flyer because remember who I said made up the current executives, karters, ex karters, parents of current or ex karters. It’s really only a matter of time before a kid comes into the sport who’s dad or grandfather just happens to be a corporate wiz.

The board positions in the Queensland model are:

Finance, Audit and Risk Management Director
Administration Director
Competition, Officials and Track Safety Director
Technical/ Industry Director
Promotional and Marketing Director

The election of the board is no popularity contest either. A nominee will have to have demonstrated skills in the area to which he is being nominated **before** the nomination is accepted. For example, my nomination for the technical/industry director position would be rejected. Note too, that a nominee doesn't have to be a member or have a karting background because we may need to cast our net wider to get the skilled personnel but also, if Frank Lowy knocked on the door and said I'd like to help, you wouldn't send him away, would you ?

The voters will hopefully have presented to them, one or more nominees to each of the skilled positions and they will make the decision similarly to what they do now.

Now, the engine of the best management practice model, **the committee system. This is really what makes the machine run, it is largely misunderstood nation wide as I hear things, and perhaps most importantly, it is the nub of karter participation, say and control.**

Each Board member will chair a committee dedicated to the skills area concerned. 5 committees then. The Technical/Industry Director will chair the Technical/Industry Committee etc.

Each committee will consist of the director and 3 people appointed by the Board from nominations put by the clubs.

Dave raises a very real issue on populating these committees, which is we don't have enough contributors now, and he's right, but that is another matter for later. I also think he might now know the answer.

The committees will be the exchange point of the current two way street between clubs and National office and will be the clubs first contact source for getting ideas off the ground. The committees work up those programs so that ideally, what the Board gets is ready to be enacted, rules and all.

What do you need a Board for if the committees do all this work ? Principally, to plan, to put in place the strategy to improve the lot of each and every facet of karting then to monitor it, adjust it as necessary and keep it progressing. It's a big job. As the now defunct Qld working party put to the AKAQ as the end of it's role, the essence of strategic planning is to capture an overview of where the sport is at, where do we want it to go, how are we going to do it. Once you've done that, you have to put the plan in train and look after it.

Dave has this concern:

"Of the 5 board positions, 1 must chair the meeting - so that leaves 4 members to vote. Now, as stipulated in the proposed constitution, any member with pecuniary interests must abstain from any vote.

therefor the BEST worst case is that only one member has to abstain, thereby leaving 2 votes of 3 as a simple majority !!

Simply - I do not feel that this can adequately represent the best interest of the karters, regardless of who we put into the roles of the board !"

I think there is enough behind us to now to answer this.

The chair does get a vote, he just doesn't get a casting vote to break a deadlock. 'Pecuniary interest' in practical terms means obtaining a benefit, generally from a contract or like in politician/councillor developer matters, a less direct but favourable increase in value or amenity.

I don't think it is likely to arise very often and where it does, it means a vote of 4. A deadlock of 2 and 2 is a defeat and is the reason we didn't give the chair a casting vote; the fact that 4 skilled people can't agree means the subject needs to be reworked.

Best management practice, I'd suggest, is the key to representation of karter's best interests. I will develop that further in part three.

Graeme Hancock