



Tourism Tropical North Queensland Constitution Review

Discussion Paper, September 2022

Introduction

1. This review was commissioned by the Board of TTNQ as part of strategic planning for the post-pandemic period. The aim is a Constitution that will give tourism in Tropical North Queensland the strongest practical governance for the coming years – specifically with the objectives of:
 - a. Modern governance standards
 - b. Consistently effective Board, with relevant skills, perspectives and experience
 - c. Diverse participation
 - d. Simplicity and clarity
 - e. Flexibility, adaptability
2. TTNQ tourism operators have been under great pressure to recover from the pandemic during the period of the Review, so engagement to date with members and other stakeholders was done through written communication, webinars and targeted one-to-one interviews.
3. Experienced governance advisors *cameron. ralph. khoury* have led the consultation and provided advice to the Board. Member feedback is incorporated into the analysis below.

Review process

4. This report provides stakeholders with an opportunity to comment on a summary of initial member feedback and an explanation of the key changes being proposed by the Board.
5. Further opportunities will be provided over the coming months to discuss the proposals or submit written feedback.

Governance – listening phase

6. CRK began its involvement with briefings from Directors, key knowledgeable stakeholders and senior TTNQ staff. The issues raised with the Board came from those conversations.

Strategic imperatives

7. From our interviews, the Tropical North Queensland tourism sector confronts major challenges including rebuilding existing offerings, adapting to pandemic-driven changes including to diversify and improve its offerings, to strengthen the region's resilience and to seek new markets to replace those that may not fully return.
8. From the initial feedback it seems that this is a good time for this Review – that members will be willing to make changes to the governance framework for TTNQ to enable it meet current and future challenges.

Drafting in the current Constitution

9. People consulted that were familiar with the Constitution identified a number of 'small' weaknesses that need to be cleaned up. These include provisions expected in modern constitutions that are missing, old-fashioned language, excessive prescriptive detail, confusing provisions and in some cases a lack of clarity.

Membership structure

10. A recurring theme was a view that the membership structure and voting rights were too complex, confusing and did not seem to align well with the different levels of financial contribution and service that come with TTNQ membership.

Board effectiveness

11. Feedback about the CEO and senior staff of TTNQ and the Chair of the Board was generally excellent. Only a few respondents had direct experience of the current Board. Most expected the Board to be low profile (apart from the Chair) and assumed that the Board was operating as well as it could in a tough environment.

Board structure

12. The few interviewees with direct experience of the TTNQ Board were mainly concerned about ensuring that all the required skills can be consistently brought to the Board membership. Many could recall times when the Board had been short of these skills.
13. Their feedback was also that the Board is too large to be fully effective, with most wanting a more conventional modern board of less than 10 Directors.
14. From those who have been close to TTNQ, but not directly on the Board there was also consistent feedback that included:
 - a. Although the structure is built around the historical idea of representation, many felt that the Board can't really be a representative body. Directors are obliged by law to act in the interests of the organisation, not the people they represent - and most reported that once Directors are elected to the Board, they have no practical way of engaging with those that they were supposed to represent.

- a. Many felt that the Board is too large, based on their own experience on other boards and because of the appearance of being old-fashioned and unwieldy.
- b. Most agreed that the Board needed to have expert skills (e.g. governance, strategy, risk, marketing and financials), but also the perspectives of stakeholders from key tourism sectors. Some were aware that over the years, elections have not always produced the full range of skills and perspectives.
- c. Diversity of Board members was also raised, with many conscious of a need to meet community expectations of a mix of gender, culture, ethnicity (in particular indigenous participation) and tourism sectors (including perspectives of international stakeholders).

Board election processes

15. A number responded that the election process could be improved. Some observed that the nomination process discouraged some from participating and that the voting process was too often just voting for "who you know".

Possible improvements

16. The Board's response to the issues identified in the initial Listening stage are discussed below – along with a request for your feedback.

Drafting in the current Constitution

17. Cleaning up the drafting in the current Constitution would support objectives (Para 1. a., d., and e.) and would seem to be uncontroversial, however there are sometimes details that are particularly important to stakeholders.

Any suggestions for details that need to be redrafted, clarified, removed or retained are welcome.

Membership structure

18. Simplifying the membership structure and voting rights (currently six levels – Section 10 of the current Constitution) would support objectives (Para 1. a., d., e., and possibly c.).
19. Initial consultations suggested support for some simplification and some reduction in the difference in voting rights - but that some differential in the voting rights of member classes should be retained.
20. Currently, the votes granted to each level of member range from 0 votes to 12 votes (see table over).

Current	Proposal
Entry level – 0 votes	Level One – 1 vote
Level One – 0 votes	Level Two – 2 votes
Level Two – 2 votes	Level Three – 3 votes
Level Three – 4 votes	Level Four – 4 votes
Level Four – 7 votes	Reciprocal membership rights with members of Local Tourism Organisations (LTOs) would continue – without any TTNQ voting rights.
Level Five – 12 votes	

21. Note that the proposal above aims to distinguish voting rights under the Constitution from commercial arrangements that can be changed from time to time. TTNQ would still be free to continue with its different fees and benefits levels (Champions, Partners, etc) and this could be adjusted from time to time by the Board.

A. Would you support separation of the Constitution membership levels from the commercial arrangements approved by the Board from time to time.

B. Would you support simplifying fee-paying member classes to 4 levels, with a single vote ranging up to 4 votes for members with larger or multiple businesses.

Board structure

22. Feedback about the Board structure (see Paras 12 - 14 above) can be seen overall as reflecting a need to update the Constitution to better align with expectations of the role of a modern Board.
23. Reducing the 'representative' dimension of the Constitution could be expected to support objectives (Para 1. a., b. and c.).
24. Stakeholder discussions on the structure have centred on a Board of up to 9 Directors, with 4 elected by the members and 5, including the Chair, appointed by the Board based on the desired skills mix.
25. This configuration would allow the Board to fill any gaps in the skills, perspectives and experience of members elected to the Board, as well as targeted appointments of Directors with experience key to the effectiveness of TTNQ (e.g. air travel, international tourism, etc).
26. The Board expects that a reduction in the Board's size (currently 9-16) would improve its responsiveness, agility and internal dynamics.

C. Would you support a reduction in the Board's size (currently 9-16) down to a maximum of 9, with 4 elected Directors, an appointed Chair and 4 appointed Directors?

27. This reduction in Board size, would require the merging of the four current electoral zone representatives and five General Directors to the election of just four (4) General Directors.
28. Stakeholders reflected on the need to ensure a good regional and skills cross-section board table, including tourism business sectors, geography, and experience. The intention would be to actively encourage directors with diverse perspectives to nominate and using the appointed positions to fill critical gaps.

D. Would you support election of Directors from a single pool of all of the membership?

Board election processes

29. Communications to members and to potential candidates through the election processes could improve clarity about the role of the Board and its Directors. The Board agreed that this would help improve alignment of expectations and the likelihood of bringing the right skills to the Board (Para 1, objectives b. and c.) ?

E. Would you support more explicit skills requirements for Board election candidates along with improved candidate election information?

Relationship with LTOs

30. Initial consultation indicated a desire to ensure a clear obligation on TTNQ to maintain its operating relationships with Local Tourism Organisations.
31. Feedback was that this should be recognised in the Constitution as an in-principle commitment, with specific and adaptable operational arrangements left to the relevant Boards and management to put in place.

F. Would you support a provision in the Constitution that would commit TTNQ to establishing appropriate operational agreements with LTOs and any other appropriate organisations – as defined by the TTNQ Board from time to time.

Contributing your views

32. Members can contribute their views in two ways:
- a. Attending one of the scheduled online **members workshops** and discussing the issues raised with the consultants and other members.

- b. Responding to this Discussion paper in writing (informally **by email** preferred – to phil@crkhoury.com) on any matters that you would like to comment on. This input would be considered in the Review, but kept anonymous.

Transition Arrangement

33. There will need to be transitional arrangements in the new Constitution to facilitate the change covering things such as when existing Director terms expire and when new elections are to be held. These will be discussed in the members workshops and settled once the Board has heard from members and finalized the proposed changes and will be part of the information pack provided to members.”

Next steps

The key dates for members in the process ahead:

- **Members workshops** to discuss the proposed changes –October 12, 13 and 14.
- After considering member feedback, the Board will publish a **proposed new Constitution** and explanatory notes by November 10th.
- A **Special General Meeting** of members will be scheduled for December 8th 2022.

G. Are there any other issues that need to be considered? Have these ready to discuss at the members workshop on 12-14 October.