

Current 'Plan on a Page' for internal organisation changes

GOVERNANCE

The organisation will move from an Incorporated Association to a Company Limited by Guarantee – a change that significantly strengthens the level of corporate governance and legal compliance standards.

The duties of the Directors are of the highest standards and are fiduciary; meaning that they must always act in the best interest of the company as a whole, manage conflicts of interest and act with a duty of care and diligence when making decisions.

Board determines Terms of Reference for each committee:

- Members + composition
- Committee chair powers
- Tenure
- Purpose + role
- Scope + responsibilities
- Number of meetings per year
- Reporting to the board.

Board is responsible for the delegations made to a committee (s190 of Corporations Act).

A committee's role is to make recommendations to the board as determined within the scope of TOR to assist the board to make the decision.

Delegation to a committee does not exonerate the board's overall duties and responsibilities under the Act therefore directors need to satisfy themselves that the decision is correct and can take into account the recommendations made by a committee in doing so.

Committees can involve directors and skill-based individuals relevant to the committee TOR.

Minutes of any committee meeting to be included in the board papers at the next board meeting. The information contained will reflect the TOR, needs of the board, highlight issues, options and make recommendations to the board to assist in decision making.

CEO (or their delegate) attend each committee meeting to administer, attend to day-to-day operations and ensure correct reporting to the board occurs.

STRUCTURE

Board

- Minimum of 7 and maximum of 9 Directors
- Minimum of 3 sheep and 3 cattle producers (elected)
- A non-voting chair appointed by the board

Livestock Advisory Committee

- Consolidates Sheep Industry Fund, Cattle Industry Fund, Biosecurity Animal Health & Welfare, and Blueprint committees to deliver aligned and efficient organisational functions that are inextricably connected.

- The 'engine room' of the organisation that will provide recommendations on:

- industry direction and investment priorities
- investment allocation and performance against strategic objectives
- identification and development of policies that align with and progress strategic direction and investments.

- Assisted by fit-for-purpose working groups as required.

- Will include a structured pathway to help identify and develop new industry leaders.

Finance, Risk, Audit & Governance Committee

- Organisational financial & risk management:
 - in-depth oversight of the effective financial and risk management of the organisation – a critical accountability function given Livestock SA's legal accountability for administration of third-party contracts funded through socialized industry levies/contributions.

BENEFITS

Compliance with legal responsibilities and greater alignment, efficiency, output and accountability for the organisation's core roles and activities.

A board composition that:

- must always have a minimum of 3 sheep producers and 3 cattle producers to ensure accountability back to the sheep and cattle industries; and
- can appoint up to 3 skill-based directors if/as needed.

A committee structure that:

- recognises legal, contemporary governance;
- aligns strategy development and investment priority setting;
- enables greater measurement of investment allocation and performance;
- better identifies and develops the right policies to drive the industry forward;
- creates a structured pathway to identify, develop and instil new industry leaders to address the chronic succession challenges across all areas of the organisation's work that have been identified; and
- addresses common misunderstandings from members and the broader industry about the role, need and deliverables of industry blueprints and industry funds and enables those producers funding these activities to have greater input to their direction and function.

Efficiencies:

- Reduces direct, indirect and opportunity (i.e. duplicate effort) costs.
- The direct costs of the board/committees currently account for over 20% of total organisational operating costs.
- The indirect costs to coordinate, facilitate and administer the board/committees is about 30% of total staff time.
- Reducing the number of committees will reduce the direct, indirect and opportunity costs so more resources (financial and human capacity) can be allocated to addressing producer issues.