

SUPPORTING THE AGM MOTION TO LIMIT COUNCIL TRAVEL EXPENSES - TO BE VOTED ON BY MEMBERS.

Moved By: Chris Gamgee

Seconded: Brian Harvey

Motion:

Part 1: That the total expenditure on travel expenses, in any financial year, for councillors and invited attendees to attend Council Meetings, Annual General Meetings and Special General Meetings combined, is not to exceed the amount as determined by part 2 of this motion. This limit is to remain in place until superseded by a subsequent motion passed at an AGM.

Part 2: The expenditure limit referred to in Part 1 should be set to:

- a. \$4000
- b. \$5000
- c. \$6000
- d. \$8000

Supporting Statement:

I have proposed this motion to allow all members to have their say on an expenditure item, (Councillors travel expenses to ANARE Club Council meetings); which has become more significant over recent times. The intention of this motion is for members to vote if they want to direct the council to set a limit for travel expenses (Part 1); and if so, then select the limit thought appropriate (Part 2), by selecting an option.

For two years prior to the current year, the council set a travel limit of \$5000 pa, and the travel expenses were kept within this limit. This limit had been determined by a balance between budget considerations and provision of funds to allow one or two "in-person" meetings of council in a year. In the current 2017-2018 year the motion for limiting travel expenses to \$5000 was put and was defeated, and the limit was then set at \$8000. As this is a significant proportion (28%) of our total annual membership fees (approx. \$29000); I believe that it's appropriate for members to have the opportunity to vote on the amount of members funds spent on Councillor Travel.

The actual expenses incurred during the last 3 years is shown below. Records for the years immediately prior to the last 3 are unreliable.

2015-2016 - \$2600.

2016-2017 - \$4474.

2017-2018 - \$6200.

As can be seen, this amount is increasing and for the last year was 22% of membership fees.

With proposals to have council meetings at different locations, (Brisbane, Sydney, Melbourne, Adelaide, Hobart) it would be possible for airfares alone to run up to \$17000 for 4 meetings "in-person" at 4 different locations, based on the geographic locations of current councillors.

Factors which have significantly reduced the actual expenses are:

1. Some councillors not claiming travel expenses
2. Use of electronic connection to meetings (Skype and phone conferencing)
3. Having meetings in the location where most councillors live (traditionally Melbourne)

The limit of \$5000 per annum which I propose would allow for 2 "in-person" meetings per year at Melbourne, and 2 meetings conducted by electronic means. If a limit is set, then it's up to council to decide how best to manage the meetings to keep with the budget.

We do have councillors spread across several states, and all should have the opportunity to attend council meetings without incurring significant personal expense. This is easily achievable by use of electronic conferencing (Skype, telephone conferencing etc) in a much more economical way that councillors physically travelling. It would make sense that meetings could be conducted so that in any city where there were two or more councillors they could group together in a single location in that city. That way, on the current council makeup, there would be 3 group meeting centres and 3 individual connections. A sensible combination of "in-person" and electronic conference meetings can easily keep travel costs within \$5000pa, without compromising the operation of the club.

We should be aware that over the years we have seen a continuous gradual decline in the number of financial members, hence a decline in the number of memberships being paid. If our fixed costs are not kept under control they will impact on the long term financial viability of the ANARE Club.

OVER.
PLEASE →

ALTERNATE STATEMENT RE TRAVEL EXPENSE MOTION ON REVERSE SIDE

OVER.
PLEASE →

DAVID ELLYARD - AN ALTERNATIVE VIEW ON THE AGM MOTION TO LIMIT TRAVEL EXPENSES.

1. I see no difficulty in setting a cap on travel expenses. That is simply a matter of prudent budgeting.
2. Likewise, there is no issue in the general membership having an input on this matter.
It is appropriate to raise it at an Annual General Meeting.
3. The challenge is to determine an appropriate level of expenditure though the Councils travel policy.
This is dealt with in the second of the motion.
4. The Council's travel policy derives from the fact that Councillors now come from a number of states and territories, and the understanding that no Councillor should be significantly out of pocket for travel expenses as they fulfill their obligations as Councillors which requires their attendance at Council meetings four of five times a year.
5. Current travel policy sets limits on the amount that any Councillor may claim in reimbursement, depending on the state from which they come and therefore how far they need to travel. For example Councillors from NSW are remunerated for their expenses up to \$400. This covers air fares and ground transportation
6. At the National Council meeting in February, a cap of \$8000 was set for the financial year 2017-18.
7. Expenditure in that year totalled \$6200. Much of the shortfall was a consequence of some Councillors choosing not to claim travel expenses to which they were entitled.
Had all appropriate claims been made, it is likely that the cap of \$8000 would have been reached.
8. For many years, all Council meetings were held in Melbourne, with out-of-Victoria Councillors travelling to attend.
9. That pattern had recently changed in two ways. Some meetings are now held out of Melbourne to allow some interaction between Councillors and members in other states and territories.
Secondly some Councillors attend meetings by Skype rather than by being present physically.
Generally speaking the first of these developments adds to travel costs, the second reduces them.
10. Many Councillors believe that Skype based meetings are less satisfactory than face to face meetings, especially in dealing with policy matters, and are dependent on technical issues, such as access to a fast and reliable internet connection. Experience to date suggests that holding a meeting in which all Councillors are on-line generates some challenges.
11. It is also widely held that face to face meetings, in Melbourne or elsewhere, allow Councillors to interact socially and to generate some sense of collegiality, both of which enhance their capacity to carry out their duties as Councillors.
12. These considerations lead me to suggest therefore that in any one year, at least two, and preferably at least three, Council meetings should be face to face, with two of those being in locations other than Melbourne. Such an arrangement would allow the Council to work most effectively in the interests of the Club and its members.
13. Previous experience indicates that meeting such a schedule is likely to require expenditure approaching \$8000, and that therefore it is appropriate to set the travel expenses cap at that figure.
14. The Club is in a sound financial position, with substantial financial reserves. We live within our means.
15. A recent new deal with the printer of **Aurora** has generated savings of some \$4000 a year. That saving can be put toward the proposed level of travel expenses, so minimising an impact on the Club's bottom line.