

# Company of Master Mariners

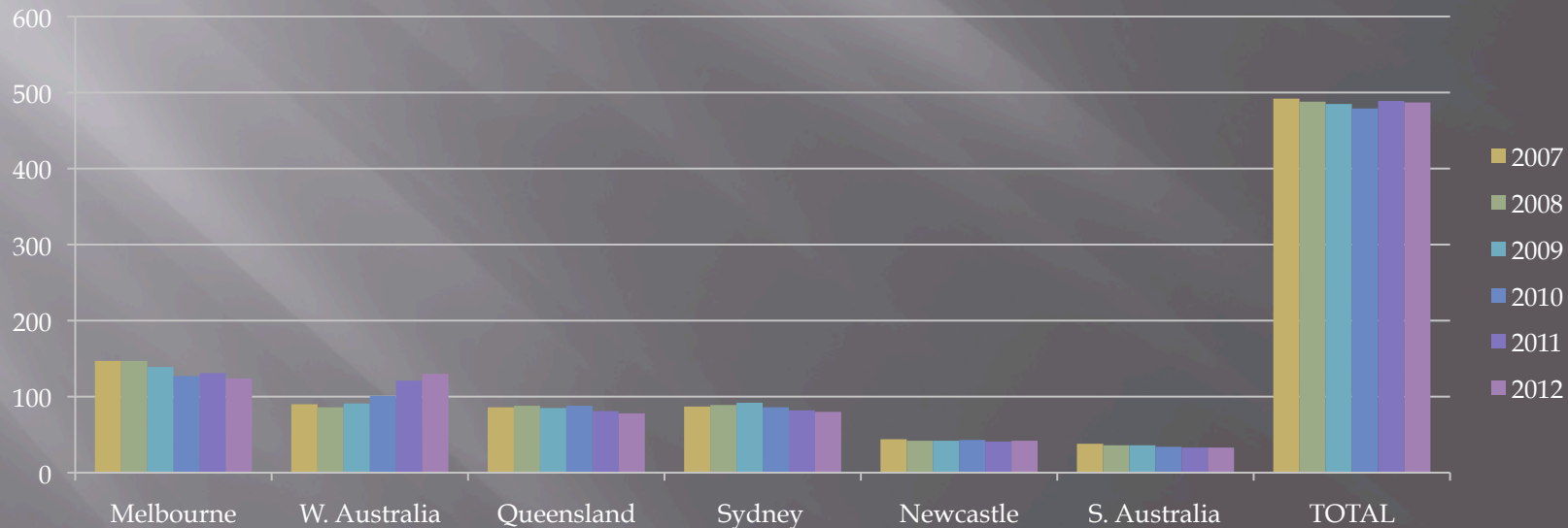


## The Need for Change

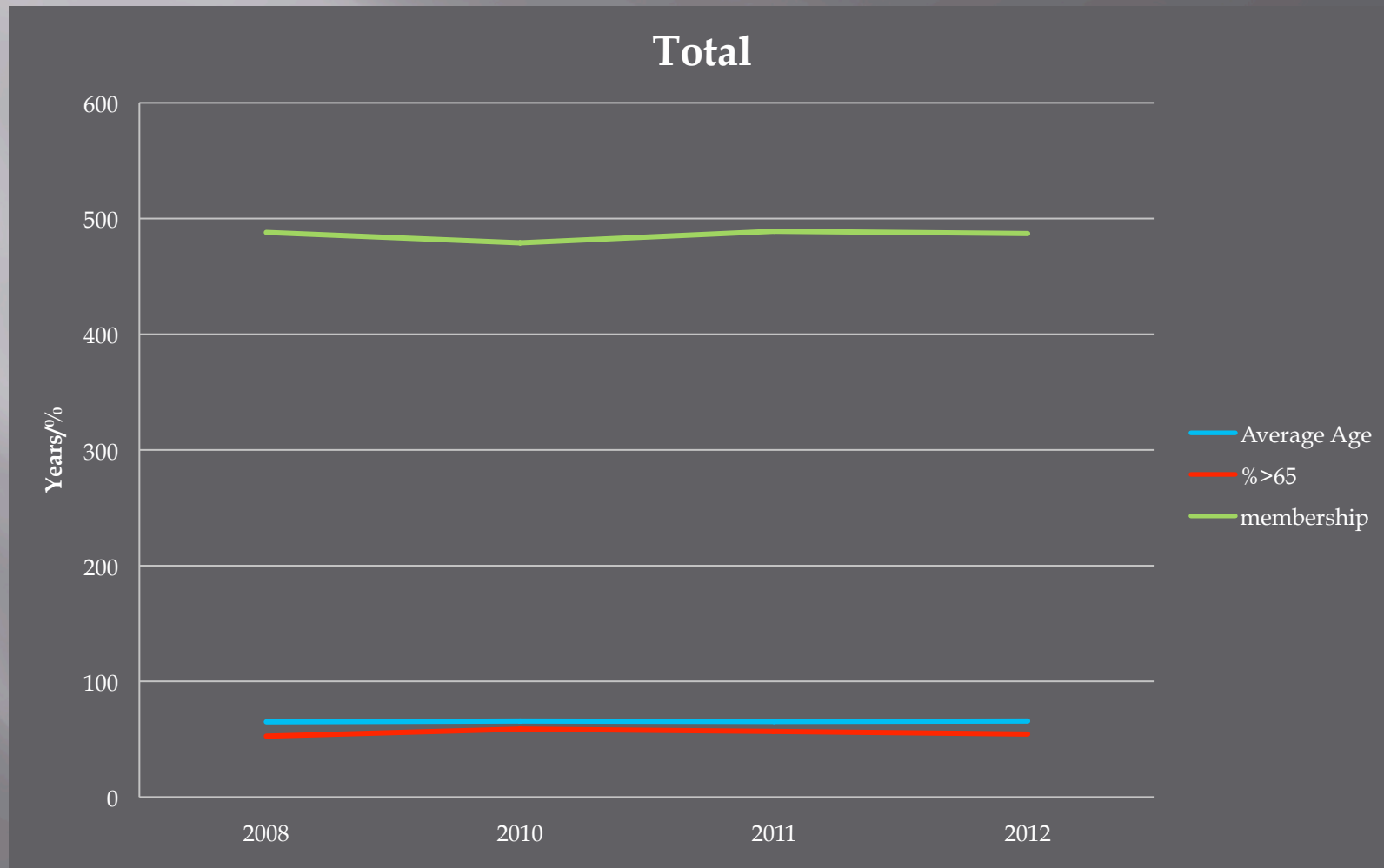
# THE PROBLEMS

# Membership Demographics

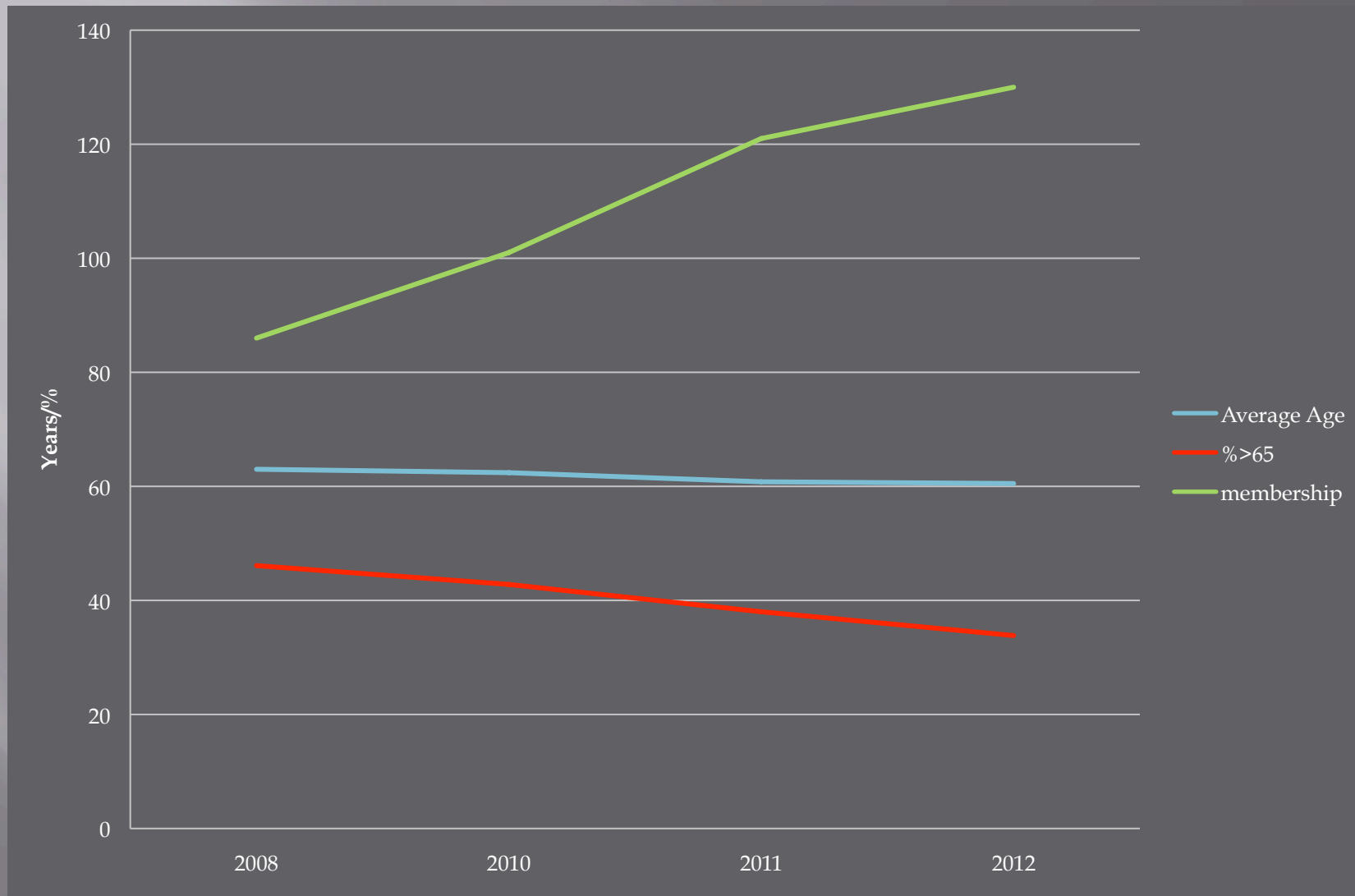
- ❑ Membership in WA Branch has increased - 44 members in the period 2008-2012
- ❑ Membership of all other branches has remained static (Newcastle) or declined
- ❑ Ignoring the membership in WA which has increased by 44% total numbers over other branches have declined from 401 (2007) to 357 (2012) a decline 11% over 5 years
- ❑ That rate of decline indicates that realistically without the growth in WA the Company would have limited life left without drastic action to change the situation
- ❑ The percentage of members over the age of 65 is increasing in all branches other than WA



# Total Australian Membership



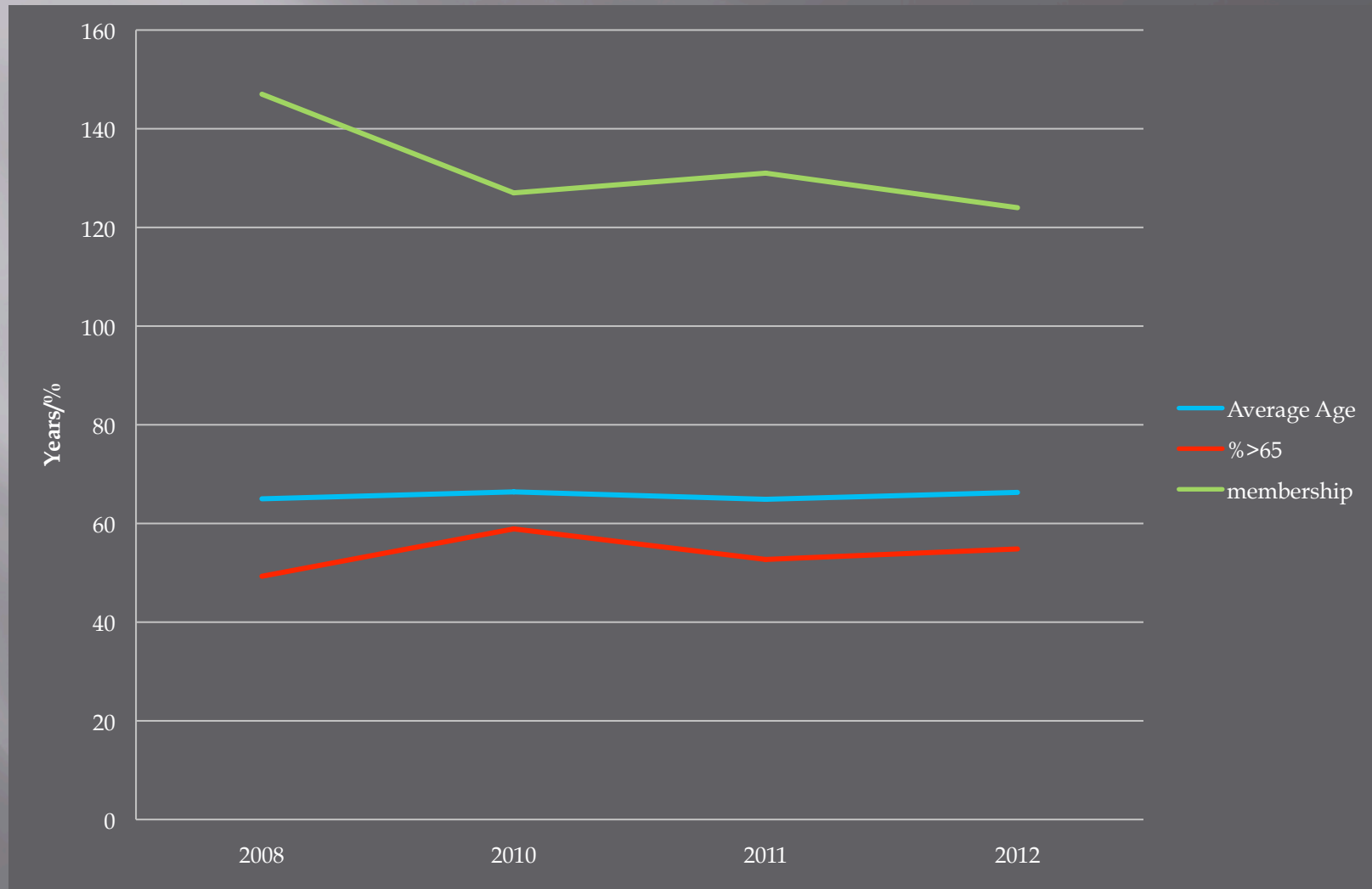
# Western Australia



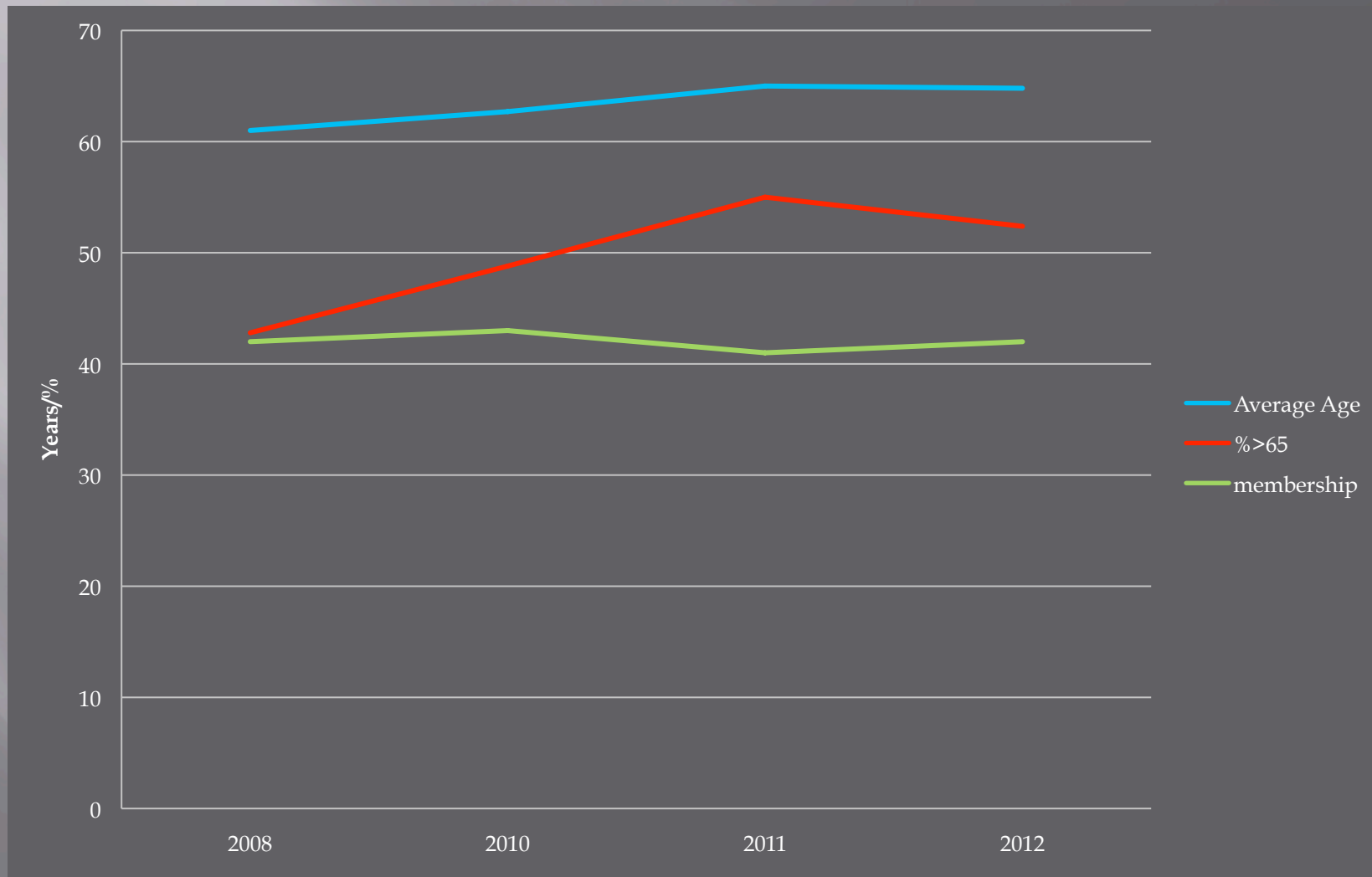
# Queensland



# Melbourne

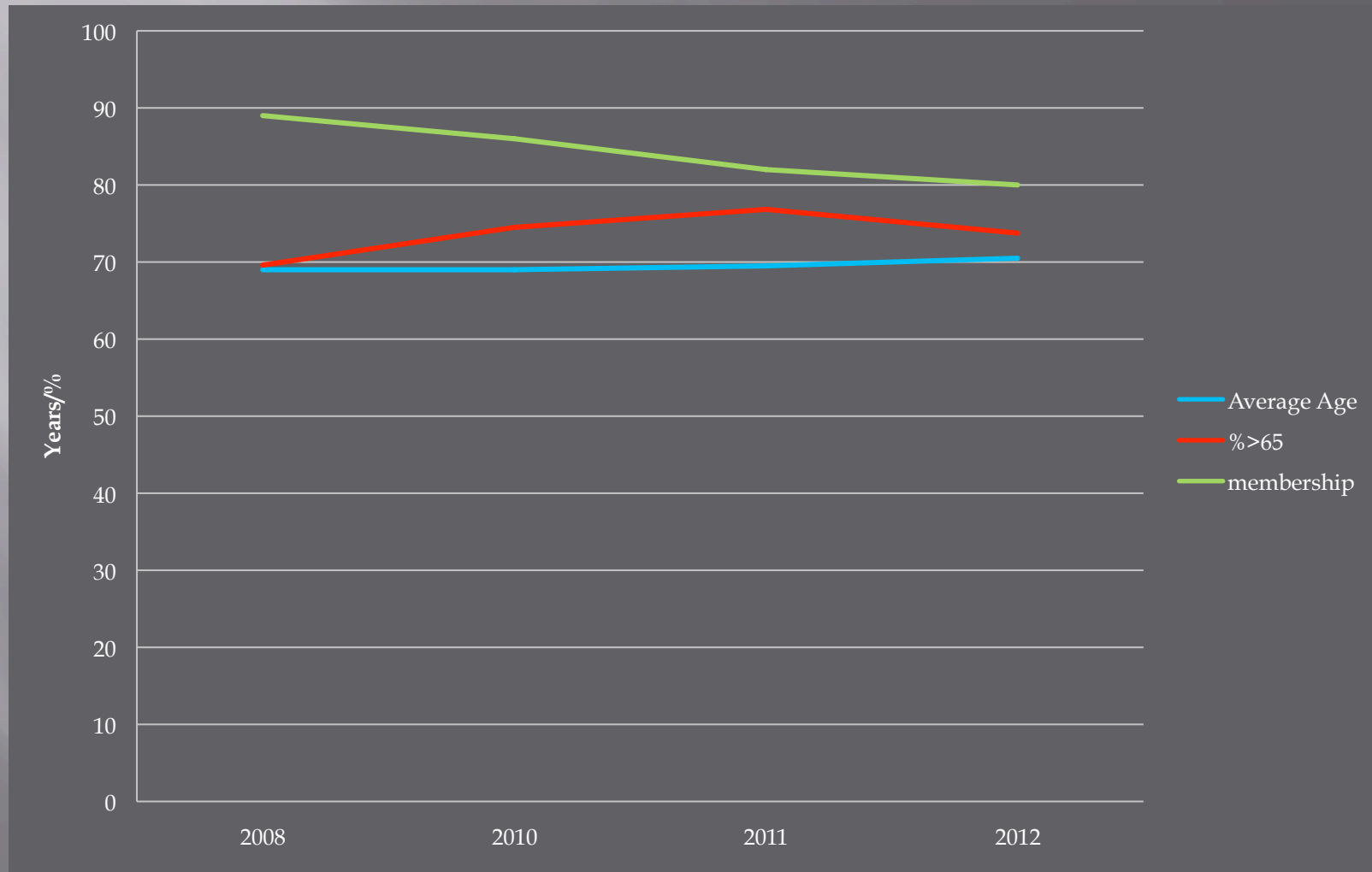


# Newcastle

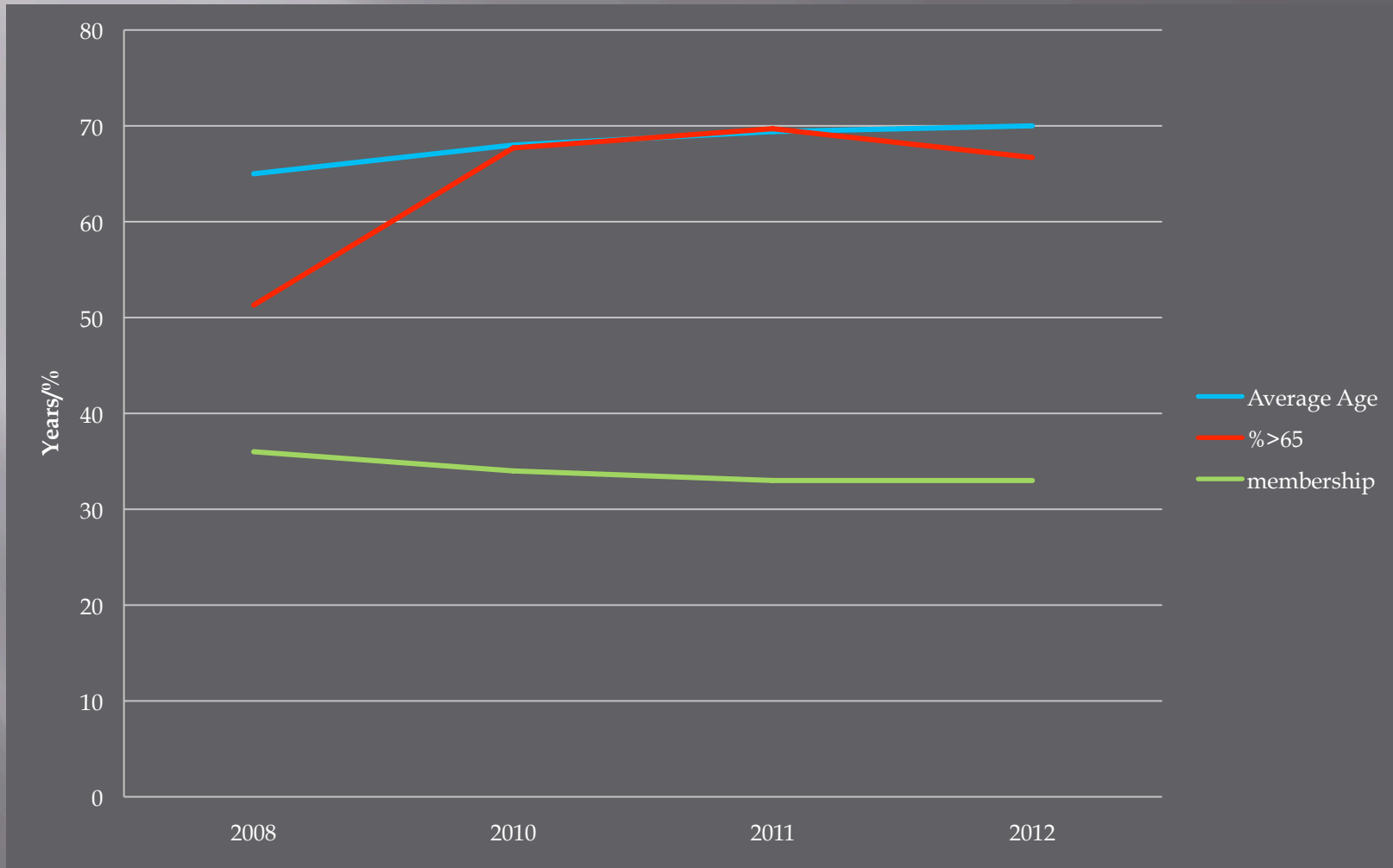




# Sydney



# South Australia



# Branch Court Roles

- ▣ Currently the Constitution requires Branches to appoint defined positions that smaller branches have difficulty filling
- ▣ In some branches officials double up in more than one role

# Administrative Problems

- ▣ Constraints – Time / Commitment / Finances
- ▣ Lack of people to fill mandatory Branch roles
- ▣ Lack of people to fill Federal Executive roles
- ▣ Work obligations constrain members active in the industry reducing their ability to commit to CoMMA offices
- ▣ The Federal Executive is financially constrained by the levy system and operates at a book loss

# Financial Problems

- ▣ Membership fees have not increased in line with the Consumer Price Index (CPI)
- ▣ The Federal Levy has not increased in the last 10 years
- ▣ Income to Branches via subscriptions and the Federal Executive via the Federal Levy have reduced in real terms
- ▣ Financial assets held by the Branches are not being used efficiently to promote the Company's Constitutional objects

# Financial Problems -2

- ▣ Past decisions of the then Federal Court members lowered the Federal Levy
- ▣ The intent was to allow a reduction of the then existing surplus Federal funds
- ▣ As a consequence in recent years the Federal Executive has run at a book loss but that situation is no longer sustainable
- ▣ This situation would have been reached earlier without fund raising events such as the Master Mariners' Congress / World Maritime Days / external sponsorships

# Financial Problems - 3

- ▣ As responsible company officers the Federal Court is obliged to inform the membership of the need to:
  - increase the Federal Levy
  - or
  - seek alternative means of funding Federal activities
  - or
  - Suspend Federal activities

# Membership Fees

- ❑ Currently branches have widely differing membership fee structures
- ❑ This provides confusion to potential members and concern as to which branch they join.
- ❑ Some branches raise little more in membership fees than covers the Federal Levy



# Potential Solutions

# Common Membership Fees

- ❑ Membership Fee should be totally separate to meeting costs
- ❑ A common membership fee nationally paid to the Executive Officer which is sufficient to provide fund normal branch activity and national objectives and activities
- ❑ A higher fee for working members higher due to ability to claim on tax return
- ❑ Associate Members could be at an interim fee level
- ❑ Proposed Retired Members (as in retired from active work and unable to make a tax claim) maintained at the general rate paid in branches
- ❑ Is there potential for a corporate Membership Fee?

# Centralised Registration

- ▣ One Registration List kept centrally – information will be more current
- ▣ On line applications via the CoMMA website?
- ▣ Applications fed to “branches” for notification
- ▣ One month process for “tacit acceptance” before ratification back to Executive Officer
- ▣ As such members will have the ability to raise concerns of potential new member but process is centralised meaning quicker and potentially better records

# Centralised Registration

- ▣ Package would be sent out containing;
  - Membership Certificate
  - Latest 'Master Mariner Journal'
  - Log in for Master Mariner website
  - Details of nearest branch and dates of meeting and primary contact
  - Details of meeting dates in other branches in case travelling or moving
  - Information on IFSMA and Master Protect Insurance

# Centralised Accounts

- ▣ Focuses around centralised registration and single national membership fee
- ▣ Some branches have reserve funds which if centralised could be utilised to assist the companies objectives as a whole
- ▣ Centralised accounts and funds means equity for all branches
- ▣ Centralised funds could be utilised to promote activities in regions where membership may be declining
- ▣ IF a branch collapses are we prepared to lose those members?

# Federal Court Composition

- ▣ Constitution redrafted to reduce the number of mandatory roles required and dispense with the Federal Executive
- ▣ Re-organise the Federal Court into a “Board of Directors” to comprise only Branch Masters (one member from each State: 5-6 members)
- ▣ Federal Master (Chairman) is elected by other directors or transfers by fixed rotation
- ▣ Either board members need to take up activities currently done by the Federal Executive, or CoMMA needs to employ an Executive Officer

# National Executive Officer

- ▣ Funded?
- ▣ A Master Mariner
- ▣ Combines – Federal Secretary / Treasurer / Registrar roles into one position
- ▣ Acts as a spokesperson for CoMMA as required by the Federal Court – fronts the media after reference to the Federal Court (Board of Directors)

# Simplified Branch Court Structure

- ▣ Amend the Constitution to reduce the number of mandatory Branch officials
- ▣ Less difficulty filling Branch Court positions
- ▣ Branch Masters may adopt existing court official structure to assist, but are not obliged to
- ▣ Branches elect the process/structure that works for them, noting that if registration and membership fees are dealt with at Executive Officer level than there will be some reduction in activities required to be done.



# Standardised Meeting Formats

- ❑ Branches need to consider the need for long formal meeting structures which may detract from members attending
- ❑ Branches are not a business entity and have no ASIC ('Australian Securities & Investments Commission') auditing or reporting requirement on them
- ❑ Therefore branch meetings should be about transfer of information between members regarding activities of the organisation and local activities as desired by the branch
- ❑ There needs to be a balance between professional development and general interest
- ❑ Industry issues should be debated in branch meetings.

# Centralised Publication

- ▣ The national magazine needs to reach our membership beyond the branch meetings and friends of the company
- ▣ This ensures that it encourages new membership and enables the industry and community to view our professionalism
- ▣ To reduce costs and potential duplication of effort branch newsletters should be restricted to meeting minutes, local calendar and local interest, although the CoMMA website and Facebook could be used to disseminate news

# Potential Benefits

- ▣ National Image
- ▣ Common fee structure
- ▣ Central and simplified membership application process whilst maintaining checks
- ▣ Reduced fees for accounts and auditing
- ▣ Ability to use the whole of Company funds to ensure promotion of the Company nationally
- ▣ Support struggling branches
- ▣ Less pressure on branches to fill positions
- ▣ Sustainability of the Company through a less onerous board structure

# Frequently Asked Questions

- ▣ Why Change the Federal Court and Executive?
  - The current Executive WILL stand down at the 2013 AGM. Current indications is that branches are having extreme difficulty in filling branch positions and cannot nominate an executive to take over. The new structure of a board of directors with mutual agreement for one to be Federal Master removes the issue of no one to take over. Delegation of executive functions within the federal board will be required or as alternatively proposed a paid Executive Officer.

# Frequently Asked Questions

- ▣ Why change the definition of retired membership?
  - If we are to increase membership, members who are actively working have the ability to claim their membership fees on tax. However members who have retired from work do not. Therefore it is proposed to have a retired membership which means exactly that they have retired from work.
  
- ▣ What about Associate Members?
  - Noting that Associate Members may not receive the same benefit from membership as Ordinary Members it would be proposed that we could maintain an interim membership fee of say \$120.

# Frequently Asked Questions

- Why is there a proposal to raise fees so high?
  - Firstly the current fee structure is not adequate to allow the Federal Executive to undertake the activities that membership requires. There has been no move in the Federal Levy for some 10 years and therefore in real terms against inflating costs the levy has gone backwards.
  - IF we cannot get the level of voluntary input (which is evident) then it may be necessary to appoint a paid person to undertake those activities on behalf of the board and membership (e.g. Shipping Australia, Australian Shipowners and Ports Australia even InMAREST and the Nautical Institute). This will cost but would mean greater activity could be undertaken.

# Frequently Asked Questions

- ▣ Who would this Executive Officer be?
  - It is proposed that the Executive Officer be selected by the Board through a normal selection process (application and interview)
  - The Executive Officer should be a Member of the Master Mariners with good administrative and communication skills.
- ▣ Why should he speak instead of the Federal Master?
  - While it is preferable to see the Federal Master as the spokesperson as in any company sometimes the need to make comment quickly prevents their availability, in which case the Executive Officer would after consultation with board members represent the Company. As a Master Mariner the person would be aptly suitable.

# Frequently Asked Questions

- ▣ We have older members who prefer newsletters read to them or don't like computers. Why a centralised publication?
  - The centralised publication is to demonstrate a unified body of professionals. The publication will be printed as well as electronic and can be mailed or read to members
  - Local newsletters can exist but should be cost effective and not duplicative in nature to the national publication



# Frequently Asked Questions

- ▣ Why Centralised funds don't they belong to the branch?
  - Branches have achieved their reserve funds in various ways. Some have very little reserves, but that does not make them the branches' funds under ASIC rules. The funds belong to the incorporated body which is the Company of Master Mariners Australia, and expenditure at Branch level can be queried at Federal Court. Funds can (via the Constitution) be appropriated from Branches to fund the objectives of the Company.
- ▣ Isn't this a money grab by the executive?
  - You will note there is to be no Federal Executive from 2013, but rather a board of directors (Federal Court) which has equal representation from around the country. This is about using the funds vested in the Company to step activity around the country and achieve the Company's objectives.

# Actions

# Actions to move forward - 2012

- ❑ Redraft the Constitution to disband the Federal Executive
- ❑ Reconstitute into a Board of Directors (National Court) comprised of Branch Masters (or suggested state representation)
- ❑ Reallocate existing offices within the Federal Executive to Branch Masters
- ❑ Branch Masters delegate offices to branch members

# Actions to move forward - 2012

- ▣ Redraft the Constitution to remove mandated positions in branches
- ▣ Provide in the Constitution for centralised registration and a common national membership fee (to be determined)