

Australian General Practice Network: Review of Board Governance, Structures and Processes

Update July 2008

Frequently Asked Questions

Overview

The Australian General Practice Network (AGPN) Board is reviewing its corporate governance. Following an extensive consultation process conducted during 2007, the AGPN Board determined the scope of the governance changes that will be put to the membership for a vote at the 29 October 2008 Annual General Meeting (AGM).

Why are we proposing to changes to the AGPN governance?

A number of factors have influenced the AGPN Board's decision to pursue changes to its governance.

Pressures on Australia's health system such as an ageing population, growing incidence of chronic disease and workforce shortages will require new roles and new ways of working in general practice. The cost of running the health system is rising each year. Australia's primary health care system must adapt if we are to maintain sustainable and affordable health care. Australia requires a strong primary health care system with a focus on prevention, management of chronic disease and keeping people out of hospital. Multidisciplinary teams will be essential to ensuring patients can see the right person in the right place at the right time.

The role of divisions is evolving at the same time as that of general practitioners, who are increasingly working as members of a multidisciplinary team that includes practice nurses and allied health professionals. Chronic disease management programs are common and many divisions faced by workforce shortages and service gaps are now directly employing allied health professionals.

AGPN believes it important for this organisation to take a leadership role, both within the Divisions Network and more broadly within the primary health care sector. Many divisions have already put in place governance structures that reflect the shifting primary health care environment, with growing engagement with the community as well as other primary health care professions. The Board believes it important that AGPN's own practices must reflect its policies, and for the Board to include broader skills beyond

general practice. For AGPN and the Divisions Network to be true primary health care organisations it is necessary that their governance arrangements reflect other stakeholders within the sector.

The Board is particularly conscious of overseas examples; in New Zealand, funding for Independent Practitioner Associations (IPA) was redirected to the more broadly focussed Primary Health Organisations (PHO). In Australia, we have a new government that has recognised the scale of the challenge and is intent on change. The message at the national level has been clear – we must evolve if we are to remain relevant to the direction in which our primary health care system is headed.

The Board is also seeking change for the reasons previously canvassed. The new structures, if supported by the membership, will promote a better form of governance. This includes a shift from a representative board to one in which the membership may elect the best directors available for the job. Capacity to appoint 3 directors will further allow the Board to recruit individuals with a specific skill set and / or perspective that will add value to the company.

What changes are the AGPN Board proposing?

AGPN members will be asked to vote on an AGPN Constitution that will include the following changes.

1. What will be the composition of the AGPN Board?

- The AGPN Board will be composed of 6 'Elected Directors' and up to 3 'Appointed Directors'.

2. Who is eligible to be an Elected Director?

- Member divisions will nominate Elected Director candidates. There will be no restriction on the number of candidates a division may nominate.
- Elected Director candidates must be general practitioners.
- Elected Directors may be elected from any state or territory.

3. Who is eligible to be an Appointed Director?

- Up to 3 Appointed Directors will be appointed by the Elected Directors.
- Elected Directors may appoint any individual they believe will bring a skill set, perspective or otherwise add value to the AGPN Board as Appointed Director.

4. How long will the term of Elected Directors and Appointed Directors be?

- Elected Directors will be elected for a 3 year term.
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- Each year at the AGM, 2 Elected Directors and 1 Appointed Director will retire.
 - An election will be held for the vacating Elected Director positions.
 - Retiring Elected Directors are eligible to stand again.
 - Appointed Directors will be appointed within 60 days of the AGM.

5. When will the new board arrangements take effect?

- If supported by the membership, from the 2008 AGM to the 2009 AGM, the Board will enter a transitional phase.
- During the transitional phase, all current Directors (as at conclusion of the 2008 AGM) will remain. Elections for new Elected Directors will occur between July and November 2009.
- New Elected Directors will commence office following the conclusion of the 2009 AGM.
 - The 2 Elected Directors with the 5th and 6th highest number of votes will retire at the 2010 AGM; i.e. they will serve a 1 year term.
 - The 2 Elected Directors with the 3rd and 4th highest number of votes will retire at the 2011 AGM; i.e. they will serve a 2 year term.
 - The 2 Elected Directors with the highest number of votes will retire at the 2012 AGM; i.e. they will serve a 3 year term.
 - The successors of these Elected Directors will all serve 3 year terms.

6. How will the voting system work?

- Each year, following 1 July, AGPN will call for nominations from member divisions for Elected Director candidates. The election must be completed no later than 7 days before the AGM.
- Election candidates must be general practitioners.

- Successful candidates will be decided by a ‘first past the post’ principle; i.e. the candidate(s) with the highest number of votes will be elected. Member divisions will be asked to vote for Elected Directors from a national pool of election candidates.
 - Member divisions may vote for any candidate.
 - Member divisions may vote for more than 1 candidate, up to the number of Elected Director positions available at that election.
 - This means that in 2009, when 6 Elected Directors will be elected following retirement of the transitional board, members may vote for up to 6 candidates.
 - In all subsequent elections, when 2 Elected Directors will be elected, members may vote for up to 2 candidates.
 - Member divisions will indicate their vote by simply putting a tick next to (each of) the candidate(s) they support.
 - For example, there are 4 candidates competing for 2 Elected Director positions. Utopia Division of General Practice votes for its preferred candidates as such:

A.	Dr John Smith	<input checked="" type="checkbox"/>
B.	Dr Jane Doe	<input type="checkbox"/>
C.	Dr Max Power	<input type="checkbox"/>
D.	Dr Sally Brown	<input checked="" type="checkbox"/>
- In the event there is a tie between 2 or more candidates, the successful candidate(s) will be determined by lot.
- Detailed voting instructions will be available on the AGPN website each year.

7. What will be the terms of the Chair?

- The Chair will be elected for 2 years.
- The Chair is eligible for 2 consecutive terms, dependent on that person’s election as a Director.

8. Who may call a general meeting?

- Any 3 Directors, of which at least 2 must be Elected Directors, may, at any time, call a general meeting.

9. How many Directors are necessary to form a quorum at AGPN Board meetings?

- A quorum is 5 Directors, of which at least 3 must be Elected Directors.

10. What happens if a Director retires before the end of his / her term?

- If an Elected Director vacates office before the end of his / her term, the replacement will be the Election Candidate who received 3rd highest number of votes (after 2 new Elected Directors were elected) at the most recent election; i.e. the next candidate with the highest number of votes.
- The replacement Elected Director will serve out the remainder of the Vacating Elected Director's term.
- If a Director retires within 60 days of the AGM he / she was due to retire at, he / she will not be replaced prior to the AGM.

11. Some members have expressed concern that the new arrangements will result in a loss of 'representation' for their state or territory. How will jurisdictional issues be brought forward to the Board?

- The General Practice Network Leadership Group (GPNLG) is the representative body of the network. Membership consists of each SBO and the AGPN. Meetings are attended by 2 delegates (the Chair and CEO) from each State and Territory Based Organisation and 3 delegates from the Australian General Practice Network (the Chair, CEO and Deputy CEO).
- The GPNLG holds at least 4 2-day face-to-face meetings per year, with teleconference meetings between members' CEOs scheduled between face-to-face meetings.
- Jurisdictional reporting will be further strengthened through the introduction of quarterly reports provided by the GPNLG to the AGPN Board. The AGPN Board will in turn provide a response to the GPNLG to ensure it remains accountable.
- Representatives of the Australian Government Department of Health and Ageing are also invited to attend GPNLG meetings for scheduled discussions.

- Other avenues for divisions to raise concerns or make comment include direct contact with the Chair, Board Directors and CEO, use of the Executive Officers' listserv, participation on AGPN committees, and during consultation regarding major AGPN policy developments.

12. Why has the requirement for a Rural Committee been removed from the AGPN constitution?

- The Board is seeking a flexible committee structure that can be adapted to changing needs without constitutional reform.
 - For this reason, the only Standing Committee to be specifically required by the constitution will be a finance and audit committee.
 - Other Issues Based Committees may be established as dictated by need.
- The Board is of the opinion that there is strong awareness of rural issues by the Board. The organisation's consultation and feedback mechanisms allow opportunity for further input by rural and remote areas into AGPN's work.
- The Board also notes that there is a roughly even number of rural / remote and urban based divisions, and sees no risk that an urban bias will be introduced to the Board's considerations.

13. The Board indicated during consultations that it was considering extending to SBOs the opportunity to nominate and vote for Elected Directors. Why has this not occurred?

- Feedback during consultations raised concerns that SBOs would be placed in a position of competition with their members, and hence a conflict of interest would arise.

14. Why has the definition of 'general practice' changed?

- The definition of general practice has been updated to match that used in the RACGP's *Standards for general practices* (3rd Ed).