

MINUTES

ABF Management Committee Meeting

NSWBA, Sydney

Saturday 3rd and Sunday 4th November 2007

Present: Keith McDonald (President), Richard Grenside (Secretary), Keiran Crowe-Mai (Treasurer)
Dianne Marler

In Attendance: Eilis Magner (Legal Counsel) and Jane Rasmussen (ABF Secretariat), Martin Willcox
(Chairman TC)

Apologies: Roy Nixon

Matters outstanding from previous minutes.

RG	In principle proposal re: Honorary Members	Ongoing
EM	Supplementary Regulations to be vetted by legal counsel	Ongoing
KM	Oz One Bridge to Finance Committee	Ongoing
KCM	Draft Captain's Letter 2008	Pending
KCM	Remuneration for Directors	Pending
EM	Write to P Marston re: superannuation legal advice	Pending
MW	Write to Chairman of Youth Committee re: Colts home based	Pending
JR	Amend Handbook TU control of Swiss Pairs	Pending
JR	Duty Statements in Handbook	Pending
KCM	Promotion of bridge to restricted players	Pending
KCM	Appeals Committee remuneration	Pending
DM	Circulate MCP via website, ABF newsletter and mp centre newsletter	Pending
DM	Councillors need to be informed of MCP	Pending

1. President's Report

- a) Management Committee noted with deepest regret the passing of the greatest Australian bridge player to date, Tim Seres. An obituary will be placed on the ABF website after publication of Australian Bridge. **Action: JR**

2. Secretary's Report

- a) The WBF Laws will not be implemented before January 2008. Secretary to write to John Wignall, President of Zone 7 to ask that Legal Counsel, John Brockwell, Eric Ramshaw and Sean Mullamphy be members of the Zone 7 Laws Commission. **Action: RG**
- b) Secretary to inform councillors and presidents of dates for ABF meetings in 2008. AGM will be one day only in Canberra in March. The Mid Year meeting will be held on one day in Sep/Oct with both the actual date and venue to be decided at the AGM. The Presidents' meeting will be held on a day in May, again actual date and venue to be an agenda item at the AGM. **Action: RG**
- c) WA has a shortage of qualified directors and has been given absolution for one year on the proviso that they make a concerted effort to recruit and qualify directors. A suggestion will be put to the National Director's Accreditation Committee to qualify directors at events other than the Summer Festival and Gold Coast Congresses. **Action: RG**

3. Treasurer's Report

- a) Finance committee has been asked to investigate retainers for TU members. **Action: KCM**
- b) Request from BAWA for funding for Youth denied. Secretary to notify Youth Committee. **Action: RG**
- c) MC agreed to donate to the James O' Sullivan Trust fund the sum of \$10,000 in memory of Tim Seres. Secretary to send a press release to all states informing them of this decision. **Action: RG**
- d) ABF Affiliation fees will not be increased in 2008. Secretary to inform all states. **Action: RG**
- e) President requested that Treasurer carry out audits on accounts for Nationwide Pairs, Playoffs and make comment on interest defrayed for auditors. To be handled soonest. **Action:KCM**

4. Legal Counsel Report

Legal Counsel finalizing Summer Festival Convenor's contract. SM to be invited to December meeting. **Action: RG**

**5. Secretariat Report
Tabled**

6. Tournament Unit Report

- a) Report from Eric Ramshaw tabled. Secretary to write to ER in thanks. **Action: RG**
- b) The matter of problems associated with this year's SNOT to be referred to the TC for comment. Secretariat to add to list of 'action items for TC'. **Action: JR/MW**
- c) Appeals Committees remuneration to be followed up by Finance Committee. **Action: KCM**

7. Tournament Committee Report

Draft copy of up-to-date Tournament Regulations was received from John Brockwell and circulated to all MC members. It was suggested it be published on the website asking for corrections and comments to be sent to JB for update prior to finalization. **Action: RG**

8. Central Masterpoint Centre Project

- a) Legal Counsel drafted contract with Migration Path based on a term of 3 years renewable. **Action: EM**
- b) Migration Path to make presentation to MC at December meeting illustrating all facets of new masterpoint project and how it mirrors features of present facility. **Action: MW**

**9. Youth Committee Report
No Report**

10. ABF Events

- a) *Playoffs*
Player Liaison Chair to write to R Klinger to inform him of the results of the survey carried out at this year's playoffs. **Action: DM**
- b) *ASP and NZ Nationals*
Secretary to inform NZ that there will be no change of dates to the 2008 ASP. **Action: RG**
- c) *ANC 2007*
Financials received from Convenor of the ANC 2007 in Perth reflecting a profit of \$20,000, an amount almost exactly equal to the sponsorship that Perth received for this event. Secretary will write to BAWA Treasurer thanking him for this report. **Action: RG**

11. Other Matters

- a) *Playoff Procedures*
Roy Nixon pre-circulated a report on the Playoffs. The Management Committee addressed the report, see attached.

- b) *Bridge for Brain Research*
Angela Fury from the Prince of Wales Medical Research Institute joined the meeting at 12 noon. \$22,000 was raised this year and all results are on the website. Angela will visit QLD, VIC and ACT to further promote the Bridge for Brain Research 2008 and it was resolved to solve the problems associated with the 2007 event.
- c) *WBF Laws*
Secretary to write to Richard Hills for his interpretation of the new laws for the December meeting.
Action: RG
- d) *Yeh Brothers Cup*
Legal Counsel to draft notice to David Stern re: Yeh Bros Cup and a cc to Captains. **Action: EM**
- e) *Recorders 2008*
Procedures set in place for payment of recorders to be made by Captains will remain in place.
Action: RG
- f) *Webmaster*
Pauline Gumby joined the meeting at 12 noon Sunday for discussion on website issues and suggested we remind players about subscribing to the ABF Web newsletter.

12. Women's Committee Report

DM tabled report recently sent to the WBF Women in Bridge Committee for their meeting in Shanghai. It will be circulated to all MC members.
Action: DM

13. Forthcoming Meetings

Canberra – December 15th and 16th

REPORT TO THE MANAGEMENT COMMITTEE: RECOMMENDATIONS FOR IMPROVING THE RUNNING OF THE AUSTRALIAN TEAM SELECTION PLAYOFFS IN YEARS WHEN TEAMS FORMAT IS FOLLOWED

Scope of the Report

The principal issues addressed in this report to the MC are those raised in an earlier short issues paper considered at the MC in May in Canberra – a copy is at **Attachment A**. These are:

1. Can the process for nominating or lodging teams for the Playoffs be improved?
2. Are the procedures for changing team composition, team withdrawal and augmentation sufficiently clear after lodgement deadline has passed but before the Playoffs Final commences?
3. Are the decision making processes, procedures and accountabilities underpinning the P/O clear, transparent and any discretions exercised consistently?
4. Is risk taken into account by the organisation when considering key operational policies that might affect key objectives?

The scope of this report includes how we might improve existing processes and frameworks. Inevitably when looking at procedural issues, we run up against certain key policy issues. This report highlights where the intersect lies and make recommendations to consider whether a policy change rather than a process change is the more effective way of dealing with the problem.

Process for nominating and lodging teams for the Playoffs

I have examined carefully the information, processes and procedures underpinning the nomination and lodgement process for the 2007 Open and Women's Playoff.

The first time **public information** appears to potential players about the lodgement process is generally in late August or early September. I have attached this information – see **Attachment B**. This document – sometimes referred to by the Tournament Committee as the “Conditions of Contest” - contains important information including: key dates regarding the whole process, basic format, qualification requirements including PQP minimum requirements, nomination date and time, a requirement that entry forms and declarations of availability (both separate documents) are mailed or faxed to ABF HQ. Other information in this document includes the entry fee, some information about travel subsidies for successful teams, the “target events” and a tournament timetable.

Initial drafting of the Conditions of Contest information was undertaken by the Playoffs Convenor (Eric Ramshaw) at the 2006 ANC. This initial draft was based on a number of decisions made by the TC at its meetings in April 2006 and July 2006 (see **Attachment C**).

The **decision-making process** for the **Conditions of Contest** information appeared to me to:

- Rely on documentation used for the previous teams' selection two years before is the starting point for the drafting process. So established precedent plays a large part.
- Allocate to the Convenor responsibility for driving the process including getting initial decisions made to begin the process of preparing a first draft, seeking TC outcomes on unresolved matters; ensuring the final draft reflects all relevant decisions of TC and MC

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before it is published on the ABF Website. The Convenor takes no decisions unilaterally without reference to the TC.

- Involve a key role by the TC. The TC is comprised of experts in tournament matters – the chair is an ABF Councillor but it is more often than not the case that its members are not ABF Councillors – they are drawn from the wider bridge community. The role of the TC is to discuss and decide on all matters relating to the Conditions of Contest and to provide guidance to the Convenor where necessary. The TC also reports on its activities and decisions to the MC. From my observations the expectation of the TC is that this process is not simply a “rubber stamp” to be applied as necessary by the MC.
- Involve a key role by the MC to review TC decisions and to endorse, modify or reject their recommendations. It is, if you like, the keeper of the “national bridge interest”. My examination of the TC and MC minutes found evidence of decisions where the MC **rejected** the advice of the TC.

My investigation of the 2007 lodgement process does not intend to go over what happened in great detail – nothing would be served by bringing all that back for discussion. There are, however, a number of process issues that should be considered and many of these were touched upon in the submissions received from the players in response to the Survey put out by the Player Liaison Committee (see **Attachment D**).

Issue 1: The Lodgement Process - how entries are handled could be improved:

- The relevant documentation says the completed entry forms and declarations are to be mailed or faxed. I could find no reference to accepting hand delivered entries and declarations. It is entirely possible this matter was considered by the TC/MC in previous years. Indeed upon questioning the Convenor about the drafting of the rules for lodging entries, he acknowledged there was some “loose drafting” - but he considered this to be irrelevant as “in the context of 2007 it is worth remembering the precedent of an entry accepted at the MC meeting held on the day following the closure of entries.”
- The other issue that comes through the player comments on the 2007 process is an overriding perception that the process is not arms’ length. While no player made an allegation of deliberate skulduggery (and I could find no evidence of same), a good way of looking at this maybe as noted by one player – “It would be a good idea to take ABF staff off the hook and get an independent accountant or lawyer to handle entries.”

Recommendation: That the TC be asked to revise its present lodgement procedures to ensure that all entries are submitted to an independent person not connected in any way to the ABF and that this person compile a list of the entries received after the closing date.

Issue 2: Eligibility to represent Australia internationally

- There was some adverse comment from the players that the rules about eligibility to represent Australia internationally were unclear and unpublished. This was sparked by the Vincent Demuy visa issue.

Recommendation: That the TC be asked to examine this issue carefully having regard to Australian immigration law and policy, WBF rules if relevant and the practices of other NBOs before drawing up clear rules to be applied in such situations in the future.

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Issue 3: The Qualification System - does it meet the prime objective of producing the absolute best teams to contest the finals? Is there sufficient information available publicly about the system?

- I do not wish to dwell on this issue which from my limited time on the MC to date every time it is raised results in the eyes of MC members glazing over and calls to “move on”.
- Just from the range and detail of some of the responses made by the players, including some highly detailed alternatives, there must be some doubt about the efficacy of the PQP system as a method for selecting the best possible team to represent Australia in a fair and equitable way.
 - It seems that the TC agrees with this as new proposals for amending the Open/Women’s Team selection for 2009 have been released for public comment.
 - A well-made point is that the current “closed tender” system actually promotes uncertainty and confusion. As one commentator said: “All this incessant wrangling that goes on and has gone on year in and year out for some years, about whether these people should or should not have been allowed to enter; and who's trying to outmanoeuvre whom in the lead up to entry, will simply evaporate. This must be of great benefit to the ABF if for no other reason than its officials will be free of temptation, won't have to make any Solomnic type judgments, **and will leave entry to the marketplace of players.**”

Recommendation: That the TC be charged to come up with a better qualification system that will meet the dual objective of ensuring high standard Australian teams and market-based entry.

- Finally, any system being used by the ABF to select teams or pairs must be adequately documented and available publicly. I questioned the Playoffs Convenor about this matter specifically - where the PQP System is written up and where is it publicly available? There is a PQP Home page on the web which gives information as to the PQP Allocations and Standings but could not find out anything about the 100% and 50% rules. I was told that Martin Willcox is responsible for the upkeep of this webpage information. The Playoffs Convenor commented that there was an (dated) article on the PQP System written by John Brockwell which is not on the website.

Recommendation: That the TC be asked to provide adequate documentation of any selection teams system including individual components and to put such information on the website.

- There are two other issues – risk assessment and the interaction between the TC and MC which I will deal with later.

Playoff Supplementary Regulations

The primary issue that arose in the context of the 2007 Open Playoffs was over the procedures for changing team composition, team withdrawal and augmentation after lodgement deadline has passed but before the Playoffs Final commences. Again I will not be repeating any of the detail but instead highlighting the **procedural** aspects that merit ongoing attention. These are:

Issue 4: Insufficient, incomplete or inconsistent information available on the website as to the Regulations determining these matters.

- Once the lodgement process is complete, a “field” of accepted nominated teams is published on the website along with the Playoff Supplementary Regulations (PSR). For convenience,

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these are included as **Attachment E**. In the PSR, it states: “The Sponsoring Organisation (Law 80) for the 2007 Playoffs is the Australian Bridge Federation Incorporated (ABF). The Playoffs are conducted in accordance with the ABF Tournament Regulations in force as at 31/03/89, since amended but **not republished**, and these Supplementary Regulations. In the case of conflict these Supplementary Regulations apply.”

- The PSR does not contain any provisions dealing with changes to team composition before the Playoffs commence. The inbuilt assumption is that this would be covered by the 1989 ABF Tournament Regulations. As it turned out this was an incorrect assumption because when the Markey team problem arose, the 1989 TRs was not a source of up-to-date information: while it addressed the issues, there had been intervening precedents created during previous Playoffs which were not reflected in the latest version. When questioned about this, the Playoffs Convenor replied: “These regulations are so far out-of date they are an embarrassment; over the years the MC has commissioned “a cricket team” who had “volunteered” to rewrite but nothing eventuated.

Recommendations:

That the TC be asked to update immediately the 1989 ABF Tournament Regulations, to consult widely on their revision and to publish these new amended regulations as soon as possible and to put them on the ABF website.

That the TC be asked to put in place an effective process for updating the revised ABF TRs to ensure any new precedents are properly reflected in the published version including on the ABF Website.

Decision making processes and risk

Issue 5: Level of discretion and consistency in the decision making processes and accountability

- From the players comments (both submitted to the PLC survey and anecdotally) there seems to be a perception that the ABF is a “closed shop” that operates in an autocratic way with poorly defined processes and accountabilities. It is easy to be dismissive of this kind of perception. One submitted comment sums it up well: “What does matter is that the published rules are adhered to by all parties, including the ABF. The rules must not be changed after they are first published. The ABF should not reserve discretionary powers to itself. Once discretion is exercised there will be winners and losers, or at least the appearance of such and this will lead to discontent among the players.”
- It is easy to see why the ABF attracted considerable criticism for its actions/decisions in the December-February period. Players believed the rules had been set down in November with a limit of 6 teams. Then in January, the ABF decided to increase this to 7 teams in both Open and Women’s fields. This decision was particularly controversial and legal action was nearly the result. Further to that, when a pair withdrew from one of the 7 accepted Open teams in the week leading up to the Playoffs, a degree of confusion reined as to whether replacements could be allowed and if so who was indeed eligible to play. While the ultimate decision on who could augment was pragmatic, it appeared to many outsiders ad hoc, inconsistent with earlier decisions and autocratic as there is no fundamental right of appeal.

Recommendations:

In revising the TRs and the Playoff Supplementary Regulations, the TC should ensure that the rules governing withdrawals, replacement pairs etc after the field has been declared are clear, consistent and properly reflect current policy and past precedent where appropriate.

To mitigate the perception of ad hocery and the use of unlimited discretion, the revised Supplementary regulations should make explicit provision for disputes about application of certain defined provisions to be referred to an independent ombudsman. I understand this policy has already been agreed.

Issue 6: Interaction of the TC and the MC

- The difficulties that arose in the lead-up to the 2007 Open and Women's Playoffs challenged the ABF's decision-making processes. It placed considerable pressure on the interaction between the TC and the MC. At times there were charges that the TC was making all the decisions and the perception that the MC was either asleep at the wheel or a mere rubber stamp. There was a perception that decisions seemed confused and public announcements added to this rather than made things clearer.
- My examination of the minutes of the relevant TC and MC meetings found that the TC had a clear process for discussing the Playoffs including issues brought to its attention by the Playoffs Convenor. Decisions were taken as required and tasks were allocated as necessary. The Playoffs Convenor made no decisions unilaterally. The TC submitted for decision by the MC all key issues relating to the Playoffs.
- I found strong evidence that the MC is no rubber stamp for the recommendations of the TC. I asked the Playoffs Convenor what specific changes were made in 2007 to the format and running of the event. He noted that the main changes came about because the MC differed with the TC – "discarded the policy of moving towards revenue neutral playoffs, altered the balance between subsidy and entry fee and removed rebates for players." He also noted that recommendations by the TC to hold concurrent Open, Women's and Seniors Playoffs was rejected by the MC. Moreover, despite claims to the contrary, differences still exist between the basic conditions for running the Open and Women's Playoffs and the Seniors Playoff.
- While it is healthy for an organisation's key executive arm to oversee key operational policy decisions, this body should not have its precious management time bogged down in details and issues that can be decided at the working Committee level. Clearer demarcations and an increased degree of trust in appointed Chairs/Committee members are urgently needed. Some of this is related to the next issue of risk assessment and management.

Issue 7: Risk

- At the very basic level, people involved in not-for-profit organisations like the ABF handle risk every day. These risks may present themselves as challenges to daily tasks, major project initiatives, strategic and financial planning or to the organisation's basic objectives and goals. It may surprise many that the law basically prescribes that such persons (even volunteers) acting in any management capacity in the organisation are expected to be risk takers not trustees. Office holders are expected to take well-judged sensible risks to develop their organisation. Risk is an essential element of corporate governance and what separates the proactive from the reactive NPO is its policies on dealing with risk.

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- Risk management strategies are basically set tops-down including in not-for-profit organisations like the ABF. Perhaps the most obvious example of risk mitigation in the ABF is the appointment of a legal counsel to the ABF Council and Management Committee. This is clearly intended to focus on the legal implications of policy decisions. Notwithstanding, regrettably I have found little evidence of any ongoing systematic risk assessment being used by those decision makers involved in the Playoffs process or indeed more broadly in the ABF.
- I do not propose to go into the detail as to why this is so. I also do not propose to list the many potential benefits to an organisation like the ABF from managing risks more effectively but a few would include:
 - More effective management of assets, programs, events and activities;
 - Broader thinking about the business objectives and outcomes;
 - Greater ability to meet the needs of members and other stakeholders;
 - Improved communication;
 - Improved compliance with the law;
 - Lowers costs and greater budget certainty;
 - Improved image and perception.

Recommendation: That the MC commences the necessary processes as soon as possible so that the organisation adopts a formal risk management approach to key decision making. It should engage necessary external assistance to undertake a formal risk assessment. It should report to the Council at the earliest possible opportunity on the critical risks identified and how these would be managed going forward.

Conclusions

It is difficult to avoid concluding that the ABF's handling of the 2007 Playoffs demonstrated:

- a number of procedural failures;
- a lack of clear defined roles and accountabilities;
- a lack of transparency and independence in the rules and processes; and
- a lack of a systematic risk assessment and management strategy at all levels of the organisation.

Roy Nixon
30 October 2007