

Dear Members of Renew,

A group calling itself 'Friends of Renew' has proposed Special Business (SB) for the 2020 AGM. They are calling for removal of four Board members over decisions our Board of 11 members made **unanimously** to secure the financial viability of the organisation and set up Renew for future success.

We, the entire Renew Board, strongly dispute the rationale and intended outcome of the proposed resolution and urge members to oppose it.

These are the facts:

- The Annual Report 2019/20 and the Audited Financial Statements that are part of the AGM papers summarise the financial situation to which we had to respond against the backdrop of entry into the fastest and deepest economic contraction in any of our lifetimes.
- The COVID-19 crisis exposed the fundamental weaknesses in Renew's operating model to a greater degree than ever before. The cost structure was too high in comparison to revenue generation ability, fundraising heavily skewed to the June quarter, a CRM system that was hampering productivity, large liabilities for staff entitlements that had not been managed, inadequate financial reporting, and a culture lacking cohesion and direction.
- Renew began 2019/20 with very low reserves. Management and the Board reviewed the operating costs to identify savings. As progressive savings had already been implemented in previous years to manage the mismatch between income and expenditure, there were few options left to find economies in the face of the COVID crisis. The Board took the decision to restructure after extensive consideration of the best available data, taking external financial advice, and thoughtful debate, to put Renew on a stronger footing to ensure sustainability through the post-pandemic uncertainty ahead.

Your Board has taken responsibility to act in the best interests of the organisation and all members

- We were focused on the organisation's ability to achieve its mission. We **unanimously** approved a plan to restructure the organisation. Singling out four board members for removal from the Board, as the Special Business seeks to do, shows a lack of understanding of how governance and Boards work.

All decisions were taken with due care and diligence and we consulted within the constraints of what we were dealing with

- The restructure resulted in six positions being made redundant. Sixteen positions were safeguarded from the risk of an unviable organisation having to close its doors. Our process complied strictly with Fair Work requirements; this includes confidentiality of discussions regarding individual redundancies beyond the affected employees. All staff were consulted in the restructure process and staff input informed some adjustments to the proposed plan. Staff whose positions were made redundant were treated fairly and received all benefits.
- We understand that procedural fairness does not lessen the emotional impact of losing one's job, or seeing a workmate leave. We regret the hurt that has been caused and assure Members and staff that none of the decisions we made were taken lightly.
- We acknowledge that there has been some vocal disagreement, including from several staff, members and branch volunteers, about whether the Board's decisions were necessary, and disappointment about the implementation of change without more consultation. Contrary to claims from 'Friends of Renew', there has been a good deal of consultation before, during and since the restructure with more than 100 interactions directly related to the restructure via online meetings, email exchanges and individual phone conversations.

Improvements in communication are being implemented

- We have heard the feedback that there needs to be more regular communication between Board, management, employees and branch volunteers. We started this year with that intention and under normal circumstances we would have taken the time to run a longer and broader consultative process on the changes proposed. However, we had to make timely decisions in the face of significant financial uncertainty. The time to build stronger relationships between all stakeholders is when we are not in crisis mode. Processes are now in place for increased engagement between the Board and employees and to improve interactions with our members and branch structures, and we will continue to strengthen these.

Renew needs stability to consolidate the benefits of change

- Renew over its 40-year history has repeatedly faced serious financial challenges. Our Board has put the organisation on a path to economic viability and strength. With the changes implemented, Renew now has the fundamentals in place to achieve its potential of being a powerful advocate for sustainability in the face of this climate emergency.

- Everything the Board has done this year was motivated by concerns about Renew's fitness for purpose. The climate emergency demands of us that we create the best possible foundation for Renew to grow its reach and impact. We have an outstanding new CEO leading a refreshed and energised team, new funding partnerships are emerging, technology and changes in how we all live and work thanks to COVID are opening up new opportunities to expand our reach.
- We know that the difficult decisions taken by the Board during 2020 are unpopular with some. It is not possible to please everyone. Had we tried to please those vocally opposed to change, we would have done Renew and the members at large a great disservice. We had to do what was responsible and necessary to finally address long-running inadequacies of how Renew was managed to enable it to deliver on its purpose with renewed impact in 2021 and beyond. The need for an organisation like Renew has never been more critical. The organisation now needs stability to continue on the path to growth and scaling up.
- Being a volunteer board member of a not-for-profit organisation is a demanding task requiring knowledge and skills, time and energy, and a willingness to assume personal responsibility and potential liability for board decisions. In 2020, COVID19 and the associated economic fallout made this job infinitely harder. As your Board, we have worked hard to preserve and strengthen the organisation for the future. Without the Government's COVID support payments and the action your Board took, Renew would have very likely entered into Voluntary Administration sometime during 2020/21.

We do not support the special business or the resolutions put forward and we urge members to oppose it.

- We support the normal democratic election process at the upcoming AGM. Three board members will retire by rotation. There is a clear path for anyone interested in the opportunity to nominate for board appointment to stand for election in a contest of ideas and competency.

With best wishes, from your volunteer board.

Mark Burford	Jim Castles
Grant Downie	Tim Drinkall
Doug Ferguson	Dominique LaFontaine
Sally Moxham	Michael O'Connell
Gerlinde Scholz	Lou Scott
Kylie Taylor	

Melbourne, 11 November 2020