



## Theatre Network Australia Independent Artist/Producer Board Member Sitting Fee Policy

*Approved February 2021*

### SUMMARY

TNA pays a sitting fee or honorarium to independent practising artists or independent producers appointed to the TNA board, for each board meeting or formal board working group attended (in person or electronically).

#### *Definitions*

TNA's Rules of Association use the term 'committee' and 'committee member', however TNA uses the terms 'board' and 'board member' interchangeably with the terms 'committee' and 'committee member'.

An 'independent' artist or producer is defined as those not engaged as an ongoing employee of another entity but working in their own capacity (eg. self-employed, a contractor). For clarity, those who are retired or are not actively practising are not eligible. For the purpose of this policy, any ongoing salaried work of 0.6EFT or more counts as a being an ongoing employee.

For this policy, 'independent' refers to the employment status of the member, not the board membership status. All board members are non-executive.

### POLICY DETAILS

#### **Amount:**

##### *Ordinary Board Members*

The sitting fee for *independent* ordinary board members will not be less than \$120 and not more than \$150 per meeting.

##### *Executive Board Members*

For the role of *independent* Chair, Deputy Chair and Treasurer, a fee commensurate with the workload will be paid. For Deputy Chair and/or Treasurer, a fee of no less than \$200 and no more than \$300 will be paid per meeting. For Chair a fee of no less than \$300 and no more than \$400 will be paid per meeting will be paid.

The fee amount is payable irrespective of the length of the meeting, or the volume of pre-reading/work required. It is not paid when a board member misses a meeting. The specific sitting fee will be determined annually when the budget is being prepared. The range will be reviewed periodically but not less than every two years (from date of final approval of policy). For budget



reasons, TNA will limit the number of independent sitting fees per year to approximately one-quarter to one-third of the total board number. This will be done via the review process.

**Transparency:**

At the first board meeting following the AGM, those who are entitled to this sitting fee will advise the Chair and Executive Director of TNA. This Sitting Fee policy will be shared with TNA members, and reported against in TNA's annual report and disclosed during the annual audit.

**Entitlement:**

A board member may become eligible and ineligible for the sitting fee across their tenure as a board member, as their employment situations changes. Board members have an obligation to disclose this to the Chair and Executive Director immediately.

**Accountability:**

Eligible board members will be required to invoice TNA quarterly, for each board meeting attended. These transactions will be highlighted to the Auditor and cross checked with meeting minutes. As a charity, TNA will disclose board member remuneration in accordance with the Australian Accounting Standards Board Related Party Disclosures standard (AASB 124). TNA also reports to ACNC, and the Annual Information Statement specifically asks about related party transactions and policies around them.

The honorariums will not be paid from TNA's public fund but will come from the usual business account and be accounted for from earned income.

**Relationship:**

TNA is not entering into an employer/employee relationship with board members whether they are paid an honorarium or not. This is a set fee and not an hourly wage. Board members remain volunteers. All board members sign a letter of appointment at the beginning of their tenure, agreeing that they are not an employee of the organisation and waiving all such rights as an employee. Existing board members will sign the letter at the time of the policy being approved.

**RATIONALE**

TNA will lead by example by budgeting for a sitting fee for those people not covered by an ongoing salary.

TNA strives for better pay and conditions for independent artists and producers, and advocates for companies to pay them for their time, when employing them, consulting with them, or inviting them onto a panel.



In addition, TNA advocates for a diversity of arts workers on arts boards, including First Nations people, people of colour, people with a disability and other under-represented groups. There are many people who cannot afford the time to serve properly as a board member but would otherwise be excellent additions to an arts and cultural organisation's board. There is a higher representation of these groups working as independents in the performing arts.

TNA believes that paying independent artists and producers board sitting fees will advance the purpose of the organisation and is not inconsistent with the organisation's purposes. TNA needs independent artists and producers on the board to ensure it has the full breadth and depth of the sector guiding the organisation's work.

## **LEGAL IMPLICATIONS**

Through Justice Connect, TNA engaged pro-bono lawyers, Clayton Utz, to examine the draft policy and Rules of Association, to see if there is anything that prevents the organisation from paying an honorarium.

The advice was:

### *Not to pay honorariums from TNA's public fund*

As long as TNA's public fund is not being used to pay members or office holders, there is nothing else preventing payment of honorariums.

The public fund is a small fund (necessary for GDR status), into which donations are paid - TNA has many other banking accounts, from which the payment can be made.

### *Board members should sign a letter of agreement*

Clayton Utz drafted a letter of agreement for all board members to sign, to "acknowledge and agree that you accept this appointment in a volunteer capacity, you will not be regarded as an employee of the Association".

### *There is unlikely to be an impact on Workers Compensation*

Clayton Utz advised that: "Accordingly, non-employee board members of TNA are not covered by the WIRC Act. Therefore, any honorarium payment is unlikely to have any effect on TNA's Workers' Compensation insurance."

### *Directors and Officers insurance might be prudent*

Clayton Utz recommended TNA looks into Directors and Officers insurance but noted that the risk of exposure in the organisation is very small. They did not give definitive advice about D&O insurance. (TNA is looking into this as a separate issue).



**ADVANCING THE  
PERFORMING ARTS**

## **FUNDING BODIES**

TNA has informed its core funding partners – Creative Victoria and the Australia Council for the Arts, and there is no concern from them. TNA confirmed to them that the honorariums will not be spent out of grant funding but earned income.

## **Other**

In addition, all TNA board members are entitled to be reimbursed for excessive direct expenses incurred in participating at a board meeting, when it has been pre-approved. E.g. Expenses such as flights, accommodation, and access needs. In general, local car parking and public transport costs will not be reimbursed.

## **APPROVAL AND REVIEW**

This policy was approved by the TNA Board on: February 12<sup>th</sup>, 2021

The first review will be due on or before the following date: August 12<sup>th</sup>, 2021 (then annually).