

PROPOSED STRUCTURE

General

1. The Governance Review Panel (**GRP**) proposal involves the establishment of three companies limited by guarantee that will take over the functions of the three existing associations; Yeshivah Centre Limited (**YCL**), Yeshivah-Beth Rivkah Schools Limited (**YBRSL**) and Chabad Institutions of Victoria Limited (**CIVL**).
2. The constitution of each company will contain a preamble and include in its objects a provision to the following effect which will require a 90% majority vote to amend:

The Chabad - Lubavitch community and institutions in Melbourne began in earnest with the arrival of the founding families in the years following the Shoah on the instruction and with the blessing of the then Rebbe of Lubavitch, Rabbi Yosef Yitzchok Schneerson. The community developed under the guidance and direction of his successor the Lubavitcher Rebbe, Rabbi Menachem Mendel Schneerson and his emissaries. Through their leadership the community has established institutions to cater for the spiritual and material needs of the Melbourne Jewish community, regardless of age, affiliation or level of religious observance. Those institutions and activities include schools, synagogues, outreach, youth activities, colleges of higher education and social and welfare services.

The mission of the Chabad- Lubavitch organisations is, in accordance with the beliefs and philosophy of the Lubavitcher Rebbe, to teach and inspire all Jews to be proud and committed members of the global Jewish community, with lives dedicated to Almighty G-d and true to the values of the Torah as enlivened by the teachings of Chabad Chassidus.

3. A number of submissions suggested there should be a Rabbinic body in the Chabad-Lubavitch community to deal with religious and Halachic matters. As there is no such body in existence it is not possible, or even practicable, to anticipate its coming into existence or what role such a body should play. Nevertheless, the proposed structure is designed to ensure the maintenance of the Chabad-Lubavitch ethos, quite apart from the entrenched constitutional requirement to that effect referred to above. First, CIVL will play a central role in ensuring the continuance of the Chabad-Lubavitch ethos. Its board

will be elected entirely by “*Anash*”, that is, members of the Yeshivah synagogues or other Chabad-Lubavitch adherents. This board will appoint one half of the board of YCL (where there must be at least one vocational Chabad rabbi) which in turn will appoint a majority of the board of YBRSL (where there must be at least two vocational Chabad Rabbis). Second, Rabbi Chaim Tzvi Groner will be appointed as a permanent non voting member of the YCL board

Yeshivah Centre Limited (YCL)

4. Company limited by guarantee.
5. YCL will hold all interests in real property in its own name.¹
6. 2 members –YBRSL and CIVL.
7. The Constitution should permit, at the Board’s discretion, YCL to provide funds (by gift, loan or otherwise) to YBRSL and CIVL.
8. The Constitution should require YCL to provide (through a subsidiary, Yeshivah Administrative Services Pty Ltd) exclusively all administrative and support services (eg IT, payroll, accounting etc) to CIVL and YBRSL with a corresponding obligation in those companies’ respective Constitutions to acquire those services from YCL. The objective is to have central control and avoid duplication.
9. The Constitution should provide that YCL, through its Board, is to approve the operating budget for YBRSL and CIVL with a corresponding provision in those companies’ respective Constitutions requiring them to submit budgets for approval by YCL.

¹ Depending upon further advice, this may be effected through a subsidiary to ensure quarantining of property for asset protection.

10. YCL approval shall be required for the acquisition or disposition of any interest in property (including leasehold).

11. Board of management:

The initial board

- the initial members of the board (who shall only remain in office for three months or until elections have been conducted) shall be:
 - two independent members to be nominated by the members as at 31 December 2015 of the existing incorporated associations
 - two members who shall have served on the ICOM
 - a fifth member who shall be the chairperson and who shall be chosen by a simple majority of the other four members

On the expiry of the term of the initial board

- for the first two (3 year) terms, two independent members to be nominated by the members as at 31 December 2015 of the existing incorporated associations
- three members to be nominated by CIVL, (for the first term, one of whom must have served on the ICOM);
- three members to be nominated by YBRSL (for the first term, one of whom must have served on the ICOM);²
- each of the board members appointed by CIVL and YBRSL must be appointed by a two thirds majority of the relevant board;

² Some complication arises, in the first instance, because appointments to the YCL and the YBRSL boards are mutually interdependent. It is proposed that the YCL board (without the YBRSL appointees) will make the five appointments to the YBRSL board. The YBRSL board will then make its appointments to the YCL board. The YBRSL full board will then ratify its YCL appointees (a level of independence is provided by this mechanism because the ratification will require a 2/3 majority and thus must include at least a proportion of elected board members).

- board members must be Jewish and must include at least one of each of the following: a vocational Chabad Rabbi, a lawyer, a business person or other professional, a person experienced in education or organisation management, an accountant or finance person (all with at least 5 years experience)
- in addition to the nominated board members Rabbi Chaim Tzvi Groner is to be a permanent non-voting member of the board
- the board is to appoint a further member to be the independent chairperson of the board by a three quarters majority;
- after the first two terms, the two independent board members (who were previously appointed by the existing members of the incorporated associations) shall be appointed by a three quarters majority of the board members;
- board to elect from its members a, deputy chairperson and treasurer
- term of appointment for 3 years, with appointments to be staggered (1.5 years)
- maximum of 3 terms
- paid employees are ineligible for appointment (other than Rabbi C T Groner in the capacity referred to above)
- the board may co-opt up to three additional members for a term not exceeding 2 years
- for the first term the trustees (i.e., the members of the existing incorporated associations as at 31 December 2015) may appoint 1 additional member who has served on the ICOM
- quorum 6 members
- minimum of 9 meetings per annum

- absence from 3 consecutive meetings without leave or cause shall result in vacation of office (other than Rabb C T Groner);
 - an independent board member is a person who is not an employee or member of the board of either YBRSL or CIVL and who is free of any relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgment. A person is not disqualified from being an independent board member of YCL merely by virtue of that person being a parent of a student enrolled at a school operated by YBRSL or merely by reason of that person being a seat holder or attendee of a synagogue operated by CIVL, provided that, so long as the person holds the position of an independent board member of YCL, that person:
 - shall not take any role in the administration, management or governance of either YBRSL or CIVL;
 - shall not exercise any right to vote in that person’s capacity as a member of YBRSL or CIVL
12. There should be the following mandatory subcommittees to oversee not only YCL but also the activities of YBRSL and CIVL:
- Finance and audit;
 - Human resources;
 - Fundraising and marketing;
 - Each subcommittee must include 2 board members
 - Each subcommittee may co-opt additional members who shall have no voting rights.

Note: Additional appointees should have requisite experience.

13. The company must appoint a paid company secretary who shall also act as company secretary for YBRSL and CIVL.
14. The Board must appoint a Corporate CEO on a fixed term contract. The Corporate CEO is also to be the Corporate CEO of YBRSL and CIVL. The Corporate CEO should be entitled to attend Board meetings of each company unless otherwise resolved. He/she is to have no voting rights. The Corporate CEO shall have responsibility for the corporate and financial management of the companies.

Yeshivah Beth Rivkah Schools Limited (YBRSL)

15. Company limited by guarantee.
16. YBRSL will be the ‘secular’ school as required for government funding purposes.
17. The Constitution should:
 - permit, at the Board’s discretion, YBRSL to provide funds to the extent permitted by law (by gift, loan or otherwise) to YCL and CIVL;
 - require the company to comply with the financial directions of YCL.
18. Members confined to each parent who wishes to be a member and whose assessed school fees are paid up.³
19. Board of management:

The initial board

 - the initial members of the board (who shall only remain in office for three months or until elections have been conducted) shall be:

³ In principle, parents with children enrolled in the GELC should also be entitled to vote. However, the precise mechanism for representation of GELC parents will depend upon final resolution of the legal character and structural position of the GELC (see para 32).

- two independent members to be nominated by the members as at 31 December 2015 of the existing incorporated associations
- two members who shall have served on the ICOM
- a fifth member who shall be the chairperson and who shall be chosen by a simple majority of the other four members

On the expiry of the term of the initial board

- 9 members, each of whom is Jewish
- 5 members appointed by YCL, comprising at least one of each the following: a vocational Chabad Rabbi, a person with experience in an educational institution, a practising lawyer and a practising accountant or experienced business person (the first 5 such members shall be appointed by the interim YCL board and then ratified by the full YCL board within one month of the full board taking office);
- 4 members to be elected by parents (including one vocational Chabad Rabbi)
- term of 3 years (staggered, so that one half of the first Board is elected for 1.5 years)
- maximum of 3 consecutive terms
- an employee is not eligible to be a Board member
- board to elect from its members its president, vice president and treasurer
- the board may co-opt up to three additional members for a term not exceeding 2 years
- for the first term the trustees may nominate 2 additional members who have served on the ICOM
- quorum 6 members
- minimum of 9 meetings per annum

- absence from 3 consecutive meetings without leave or cause shall result in vocation of office.
20. There should be the following mandatory subcommittees:
- Nominations Committee
 - Risk Management
 - Fee Assessment
 - an Education or “Chinuch” sub-committee which shall be chaired by the Principal if the Principal is a Chabad Rabbi and if the Principal is not a Chabad Rabbi, then a Chabad Rabbi who is a professional educator appointed by the Board in consultation with the Principal;
 - Each subcommittee must include 2 board members
 - Each subcommittee may co-opt additional members who shall have no voting rights.
21. The Board is to appoint the Principal of each school on a fixed term contract not exceeding 5 years.
22. The Principal shall be responsible for operational management of the School including the selection of all teaching staff and the curriculum within the budget approved by YCL. The Principal shall report to the Board of YBRSL.
23. The company must appoint a paid company secretary who shall be the company secretary appointed for YCL.

Chabad Institutions of Victoria Limited

24. Company limited by guarantee.

25. Members are all shomer shabbat, paid up existing members of the various synagogues located within the Hotham St complex and, subject to the discretion of the Board of Management, any other person resident in the State of Victoria who personally identifies as an adherent of Chabad-Lubavitch and who has paid a membership fee prescribed by the Board from time to time. No more than 5% increase in membership in any one year.

26. The Constitution should:

- permit, at the Board's discretion, CIVL to provide funds to the extent permitted by law (by gift, loan or otherwise) to YBRSL and YCL.
- require the company to comply with the directions of YCL in relation to all financial matters.

27. The Constitution should require CIVL to make available all necessary personnel to YBRSL as required by and at the discretion of YBRSL to enable the schools to provide appropriate religious education to students.

28. Board of management:

The initial board

- the initial members of the board (who shall only remain in office for three months or until elections have been conducted) shall be:
 - two independent members to be nominated by the members as at 31 December 2015 of the existing incorporated associations
 - two members who shall have served on the ICOM
 - a fifth member who shall be the chairperson and who shall be chosen by a simple majority of the other four members

On the expiry of the term of the initial board

- 9 members, each of whom is Jewish
 - all elected by members
 - board to elect from its members its president, vice president and treasurer
 - for the first term the trustees may nominate 2 additional members who have served on the ICOM
 - 3 years terms (staggered)
 - maximum of 3 consecutive terms
 - employees cannot be on the Board
 - at least 3 board members must be either accountants, experienced business people or other professional person with qualifications or experience in law, finance or organisational management.
 - The Board to establish sub-committees for each subsidiary organisation, eg Kollel, Chabad Youth, Ohel Chana, Shules
 - Each subcommittee can appoint additional members (who shall have no voting rights)
 - Each subcommittee must include 2 board members
29. The Board is to appoint the rabbi of each shule etc on a fixed term contract, not exceeding [5] years.

Additional matters

30. Each of YBRSL and CIVL and, where appropriate, YCL should have a charter to deal with:
- Relationship with the community

- Regulatory compliance
 - Risk management
 - Audit and finance
31. The constitution of each of YBRSL and CIVL should adopt a charter requiring the adoption and review from time to time of a publicly available dispute resolution mechanism.

Early Learning Centre and religious arms of the schools

32. The Gurewicz Early Learning Centre and the religious arm of the schools are required to be separate legal entities. Their boards will be the same as YBRSL to ensure they are operated consistently and efficiently with YBRSL. Their precise legal character will depend upon further legal and tax advice.

Casting vote

33. In the event that any board has an even number of members and the board is deadlocked in respect of a matter, the chairperson shall have a casting vote, but not otherwise.

Formal documents

34. Formal documents will need to be drafted by solicitors to embody the proposed structure. It is likely that in that process, some necessary refinements of the structure may be identified.