

**COTA SA SPECIAL GENERAL MEETING
9 OCTOBER 2023**

EXPLANATION FOR PROPOSED CHANGES TO THE CONSTITUTION

The proposed changes to the Constitution of COTA SA need to be set in context. The current Constitution dates from 2014. At that time, COTA SA had a membership of 16,800 and was still experiencing growth in membership (as were most of the other state-based COTAs). Our financial situation was sound and relatively stable, with reliable income sources from the government and delivery of externally funded programs. Since then, there has been a steady decline in the numbers of paid subscriber members across all the COTAs due to various factors. These include: a natural decrease as members age, resulting in frailty and death; less interest in joining voluntary organisations in the general population resulting in fewer younger members coming in to replace the older members who leave; and lack of resources for and success from attempts at active recruitment campaigns. Over the last five years, COTA SA's individual membership has decreased from 6,290 to 4,750.

This appears to be a trend that we cannot reverse which presents us with a fundamental problem. The paid membership model was designed as one where subscriptions provide the funding for the administration and benefits that members receive. Costs have risen, in particular for producing and distributing the COTA magazine, ONECOTA. This has been managed by reducing the number of issues per year from 6 to 4 and by a modest increase in the subscription fee. However, we are now faced with an unsustainable situation. Increasing the subscription fee to a level that would cover these rising costs and declining member numbers would simply accelerate the decline in members and therefore subscriber member income.

After considering this situation and our limited options, COTA SA has decided to make a significant change. Our primary objective is to keep our members but to reduce the costs of servicing members. We have therefore decided to cease charging a subscription fee to our members and to make membership free. As a consequence, we will need to reassess membership services and benefits as this income stream will cease. We look forward to providing advice directly to each of our members as to what these changes mean for them.

All the COTAs are reviewing ONECOTA as providing this in hard copy is a major cost. We are well aware that, for our age-groups of members, online methods of distribution of material may not be preferable or even possible. Increasingly we do rely on these methods of communication to make connection with those we represent, older South Australians. Various alternatives are being explored.

The move to free membership does not change the basic nature of COTA SA as a not-for-profit membership organisation. We expect all our members will continue, and we hope that we may attract more new members. The Constitution sets out conditions of membership but does not require a fee to be paid; this is at the discretion of the Board (please refer to Clause 4.4.3 in the existing Constitution and to Clause 5.5.1 in the proposed new Constitution, which set out the right of the Board to determine membership fees). While this means no change has to be made to that clause to abolish subscription fees, there are other consequential changes that need to be made.

The Board therefore decided to use this as an opportunity for a review of the Constitution and to engage lawyers to assist in this process. In reviewing the Constitution's clauses relating to membership, the key provisions have been retained but, on legal advice, some have been modified or simplified. Clauses relating to the meeting procedures, conduct of annual general meetings and special general meetings, proceedings of the board, committees, Policy Council, audit, and other governance matters remain largely unchanged.

The other set of provisions that COTA SA has been considering for a few years relate to the Board and to board membership: specifically, how board members are chosen and appointed; the length of their terms of office; and a maximum period of service for each board member.

The present method of appointment is a combination of nomination from various sources, election of a majority of the board by COTA SA members and appointment by the Board of the remaining board members. Over recent years, the process of seeking nominations from the membership has not resulted in any individuals being proposed through this method. Candidates have instead been proposed by the Board. This is consistent with the trend in most organisations to move to skills-based boards. The result of Clause 8.4 in the proposed new Constitution will be to remove the right of members to elect some of the board members and will instead allow the Board to appoint all board members.

It is proposed that COTA SA adopt the skills-based model for board member selection. The Board will identify the skills, professional experience and other attributes desired for filling a board vacancy and explore various sources to identify prospective candidates from which to choose. The Board would seek to achieve diversity of key characteristics among board members on the board as a whole.

The length of each term of office will be set at up to 3 years (currently 2 years) with the potential for re-appointment to a further term up to a maximum of 9 years, except in special circumstance (currently no maximum number of years or terms is set).

The proposed new Constitution has a transition clause to take account of the varying periods of time served by current board members some of whom have reached a 9-year limit. This is a provision commonly made to cover such situations.

There are a number of additional clauses recommended by the lawyers which are typically found in constitutions of this kind, but which were not in the previous version. These are mostly found in the later clauses and serve to ensure our Constitution remains aligned with the requirements of the Associations Act and of the Australian Charities and Non Profits Commission.



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