



THE ORDER OF AUSTRALIA ASSOCIATION

MINUTES OF THE 33rd ANNUAL GENERAL MEETING OF THE ORDER OF AUSTRALIA ASSOCIATION LIMITED Held at the Hotel Grand Chancellor Hobart on Saturday 13th April 2019 at 9.30am AEST

1. OPENING

In opening the meeting, the National President welcomed members to the 33rd AGM of the Association. He noted there was a quorum for the meeting, there being well above 50 members present. It was a pleasure to be back in Hobart and he hoped many members might have taken the opportunity to see something more of Tasmania. There have been lots of positives in the past year and he mentioned particularly the 45 per cent increase in nominations for awards in the Order of Australia in 2018 and especially that, for the first time, the proportion of women nominated exceeded 40 per cent.

Since federal elections had just been called he felt it was appropriate to remind all that the Association and the Order of Australia are above party politics. All sides of politics support our honours system. As an Association we do not take a position for or against any party platform. We are strictly non partisan.

2. APOLOGIES

The National President advised that a number of apologies had been received, and annotated on the Apology Register, he requested that any additional apologies be advised to the National Secretary. No more were received.

3. PROXIES

The National President advised that 926 proxies had been received. He also drew attention to the ballot papers distributed to each member and proxy holder for this AGM.

[Secretarial Note: The results of the ballots were announced after the AGM and are included at the end of these minutes.]

4. MINUTES OF THE 32nd ANNUAL GENERAL MEETING

The National President advised that copies of the Minutes of the 32nd Annual General Meeting held in Adelaide on Friday, 4th May 2018 were incorporated in the papers of this AGM. The National President invited the Meeting to accept these Minutes.

The minutes of the 32nd AGM were approved by show of hands.

5. CHAIRMAN'S REPORT

The National Chairman spoke to his report and that of the Directors incorporated in the papers for this AGM. The National President thanked the National Chairman for his report.

[Secretarial Note: The speaking notes are included at the end of these minutes.]

6. REPORT OF THE DIRECTORS, FINANCIAL AND AUDITOR REPORTS

The National President advised that the Directors, Financial and Auditor's Reports were included in the copy of the AGM papers provided at the registration desk prior to the meeting. These had been made available on the Association's website 21 days prior to the Meeting and copies had been available on request.

The National Treasurer spoke to the Financial and Audit Reports, providing additional detail on some points.

[Secretarial Note: The speaking notes are included at the end of these minutes.]

7. THE ORDER OF AUSTRALIA ASSOCIATION FOUNDATION DIRECTORS' FINANCIAL ANNUAL REPORTS

The National President advised the meeting that, although The Order of Australia Association Foundation Reports were not part of the formal business of the Annual General Meeting, these had been made available to Members at the registration desk prior to the meeting.

The National President invited the Secretary of the Foundation, Professor Brian O'Keeffe AO, to speak to the Meeting. Professor O'Keeffe gave an overview of the 2018 Scholarships.

8. SPECIAL RESOLUTIONS.

The National President drew members attention to the two Special Resolutions. He indicated that it was the intention to have two speakers 'For' and two speakers 'Against' each motion.

Additionally, he indicated he intended with the help of two scrutineers, Geoff Cowles OAM (QLD Branch) and Richard House OAM (SA Branch) to call for an informal and unofficial show of hands at the end of each set of speakers. Formal votes would be recorded on the Ballot Papers.

Special Resolution 1. Speakers:

- Dr Michael Davis AM
- National Chairman
- Dr Frank Madill AM
- Associate Professor John Harden AM

Special Resolution 2. Speakers:

- Ms Margot Vowles OAM
- National Chairman
- Mr Alan Hyam OAM
- Mr Tony Metcalf OAM

[Secretarial Note: The speaking notes are included at the end of these minutes.]

9. APPOINTMENT OF NATIONAL OFFICE BEARERS:

The Meeting was advised of the following appointments of Non-Branch Nominated Directors at the National Board Meeting held on Thursday 11 April 2019:

National Chairman	MAJGEN Barry Nunn AO
Deputy National Chairman	Mr Paul Wheelton AM
National Secretary	GPCAPT Phil Morrall AM, CSC
National Treasurer	Mr Tony Metcalf OAM
National Membership Director	Ms Helene Bender OAM

The National President invited members to record their votes on the ballot papers, in respect of both the procedural agenda items listed above and the Special Resolutions.

10. OUTCOME OF VOTING:

The National Secretary advised the following:

- There were 926 valid proxies received assigned to 30 Proxy Holders.
 - The proxies included totally directed, totally open and mixed selections.
- There were 119 ballot papers distributed to Members in attendance at the AGM.
- The total number of available votes was therefore 1045.

- In accordance with the Constitution and By-Laws, Special Resolutions require not less than 75% of total available votes,(784 votes) to be carried.
- The results:
 - Item 4. National Chairman’s Report. **For: 981 Against: 50 – CARRIED.**
 - Item 5. Directors Report. **For 983 Against: 48 – CARRIED.**
 - Item 6. Finance Report. **For: 1019 Against: 12 – CARRIED.**
 - Item 7. Foundation Report. **For: 1016 Against: 11 – CARRIED.**
 - Item 8. Special Resolutions.
 - Special Resolution 1. **For: 434 Against: 611 – NOT CARRIED.**
 - Special Resolution 2. **For: 407 Against: 634 – NOT CARRIED.**
 - Item 9. Election of Office Holders. **For: 965 Against: 54 – CARRIED.**

12. CLOSURE:

In closing the meeting, the National President congratulated all speakers on the friendly, civilised and professional way difficult issues were discussed. He believed everyone had had a fair opportunity to raise any matters. And he was sure the Association’s Board would take into account all points raised. We were an example to the federal parliament of how different views should be considered.

There being no further business the National President declared the 32nd Annual General Meeting closed .

Signed



Heather Ridout AO

National President

Date 18 May 2020

Attachments:

National Chairman Summary - Notes

National Treasurer Summary – Notes

Special Resolution 1. Speaking Notes.

Special Resolution 2. Speaking Notes.

Member Attendance Register – (Held separately in hard and pdf copy)

Member Apology Register – (Held separately in hard and pdf copy)

Non-Member Attendance Register – (Held separately in hard and pdf copy)

Chairman's and Directors' Report

The National Chairman offered the following remarks in relation to the Reports before the meeting:

- He was honoured to address the meeting as Chairman of an Order of contributing Australians, and he was confident we would approach deliberations in a spirit of objectivity and cooperation in seeking to engender unity within our Association.
- 2018 was a year of significant activity:
 - Five changes to our Constitution were adopted at the Adelaide AGM. These ensure that members are able to nominate for positions on the National Board.
 - In addition, it was recognised that our Constitution and supporting rules, while complying with regulatory guidelines, needed considerable change. This work has commenced and continues.
 - The Association Strategic Plan was updated to provide a framework for our activities.
 - Key activities included, particularly at Branches and Regional Groups efforts to increase the awareness of the Order and to increase nominations. Considerable success has been achieved both in more nominations overall and in more women being recognised. Once nominated women continue to have a higher success rate than men. Our challenge is to increase the rate of nomination of women and other still under-represented groups.
 - Our finances are well managed. Our Life Reserve has increased, and drawdowns maximised. In addition to Branch Administrative Grants some funds have been provided to Branches for special purposes.
 - Increased email contact with over 80% of our members has allowed reduced costs for the 20% taking The Order electronically and also has provided an ability for Branches to communicate with members quickly, inexpensively and in a timely manner.
 - A dominant theme throughout 2018 has been improving two-way communication between the Board, Branches, Regional Groups and our members. While progress has been good more needs to be done.
- Our National president Mr Philip Flood AO will complete his 3-year term at the conclusion of this AGM on behalf of all members I thank him for his leadership and wise counsel.
- Our incoming National President Ms Heather Ridout will be known to many.
- He thanked both fellow Board members, Branch and Regional Group committees and all members for their ongoing involvement and support for Association activities. only with that participation can we be a truly National Association.

Treasurer's Report – Key Financial Results for Year ended 31st December 2018

The underlying surplus for the year was \$86,304 after taking into account state branches and their regions. Following the revaluation of our investments at balance date the net surplus was reduced by \$75,835 to \$10,469. The market had improved by \$84,076 at the time of our annual meeting.

At year end we had 7,863 members who paid membership fees in one of the following ways Annual \$77 (incl GST); Three yearly \$200(incl GST) and Life members \$1,115(incl GST).

Membership income for 2018 was:

Annual membership fees at \$70 excl GST	151,163
Three-year memberships at \$60.60 excl GST	43,304
Life member 2018 actuarial drawdown	65,000
Investment income	44,365
Membership income after GST totals	303,832

Expressed per member \$38.64 per annum – Pie Chart “*Income per member 2018*”

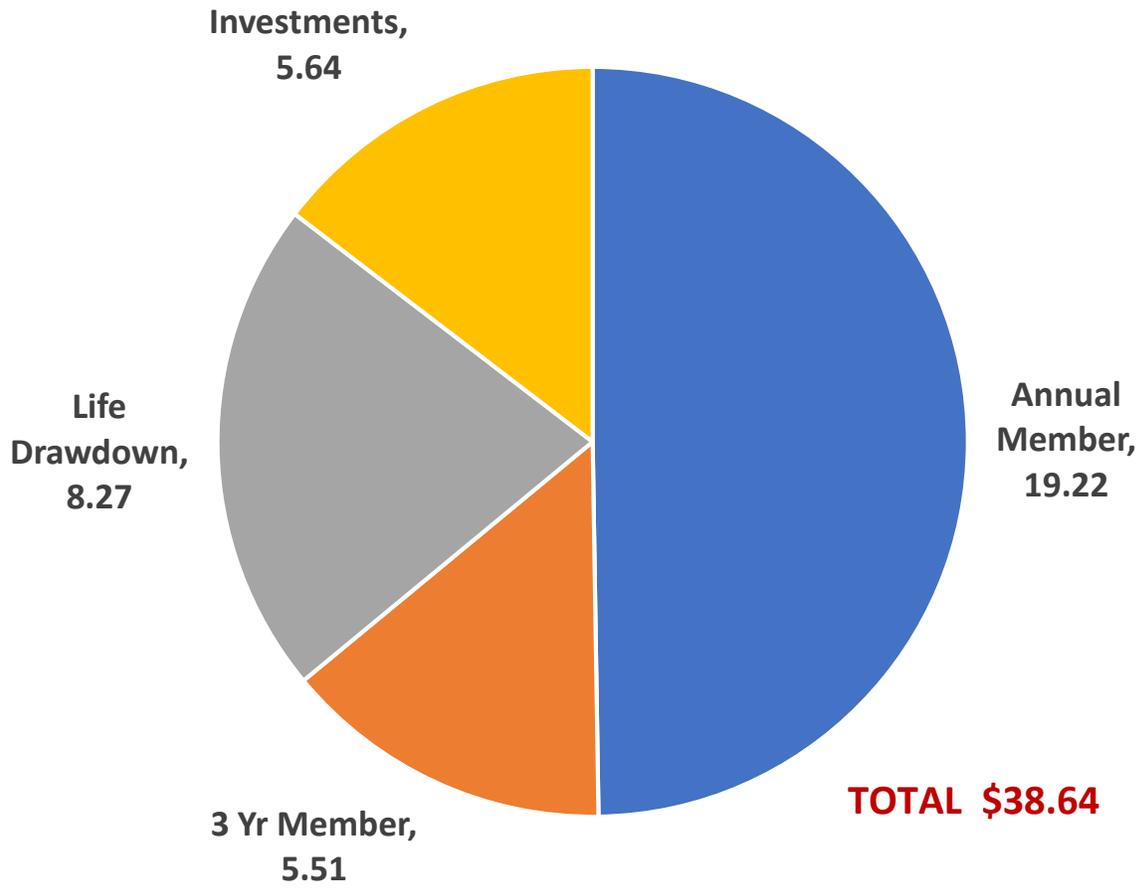
Significant expenditure on member services were:

Audit	13,000
Bookkeeping	29,365
Branch Support Grants (BAG)	41,298
Insurance	3,980
Magazine and magazine Postage	82,951
Member database	47,643
Photocopying, printing, postage	7,881
Regional Support additional to BAG	3,310
Rent	6,924
Telephone	2,045
Member services total cost	238,397

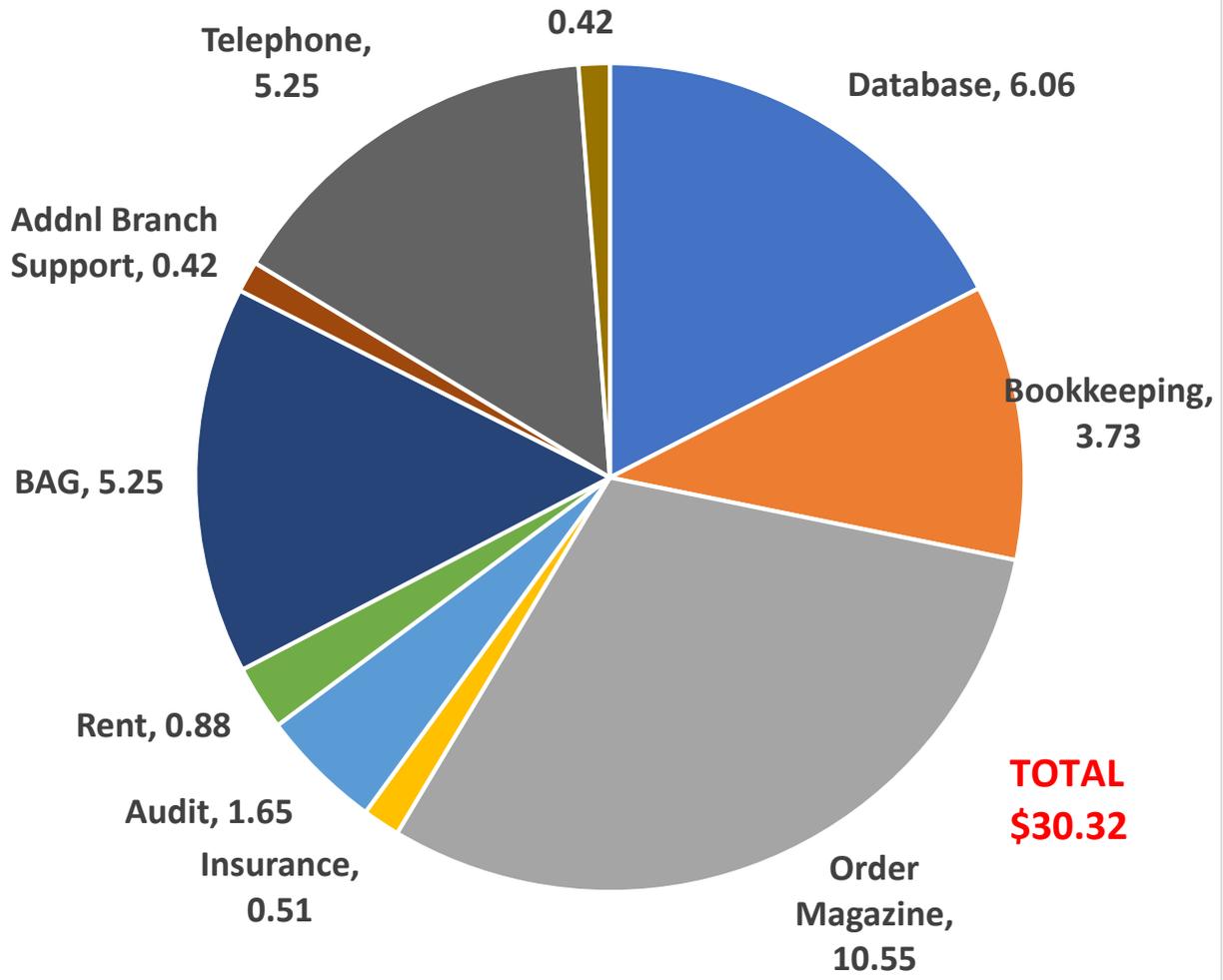
Expressed per member \$30.32per annum – Pie Chart “*Expenditure per member 2018*”

The remaining member fee income of \$8.32 goes towards indirect member administrative costs.

INCOME PER MEMBER 2018



EXPENDITURE PER MEMBER 2018
Print & Post,



Special Resolution 1 - Speakers Notes

COMMENTARY IN SUPPORT OF SPECIAL RESOLUTION 1

The Order of Australia Association AGM Hobart 2019

Dr Mick Davis AM ASM on behalf of the Qld Branch of the Association

This Special Resolution is about sincere and open consultation. It is not about a specific quantum, but it is about principles inherent in value, fairness and member-focus.

The essential purpose of this Special Resolution is to request the Board of the Association to discuss with the branches, a fresh approach to the share of funds being allocated to State and Territory Branches - which seems to us to be too low. The State and Territory Branches raise the lion's share of all the revenue going to the Association. State Branches canvass for new members, sign up new members and encourage them to pay the required fees.

Only 5 per cent of the Association's total revenue was returned to Branches in 2018. There is to be an increased BAG in 2019 and still we feel this is too low. We know there are many demands on the budget, but we are confident that changes and economies could be made to give greater share of funds to State and Territory Branches.

1. Careful reading of Special Resolution 1 reveals it seeks a mutual agreement between the OAA branches and the Board on the matter of the distribution of member subscription funds. Mutual agreement can only be interpreted to imply that the resolution seeks discussion in good faith about a review of current arrangements. Such discussions are a reasonable and common practice in many organisations where different views on important issues arise.
2. The rationale underpinning this special resolution is about the value returned to members for their subscription payment. There are eight member "benefits" promoted on the OAA web to attract and retain members, all but three of these 8 imply the need for an effort or contribution by the member to enjoy the "benefit" rather than implying any substantive "value". The remaining 3 do imply some expenditure to deliver a benefit to the member from the Association and hence a perceived "Value" as follows: 1. Receive 'The Order' national magazine quarterly in e-version or hard copy, 2. Receive e-News and Branch newsletters and event invitations. 3. Participating in and attending the annual National Conference.
3. A careful analysis of the 2019 Association Financial Statements will reveal that in the current distribution of member funds, the National administration absorbs 59% of the income and accounts for 64% of the expenses. Branch administration raises 41% of the income at a cost of 36% of the expenses. Three items of Board expenditure for financial services in the statements amount to \$44 000. In this context it becomes challenging to create a reasonable argument that any value of substance is returned to members for the subscription that they pay. Such a situation also raises a significant issue of financial focus in the context of "Value" for our members' subscription.

4. It is in this context that the OAA Board has published on the OAA webpage that “The National Board has considered and is unable to support Resolution 1.” The reasons published for not supporting the Resolution’s request for a process of mutual agreement with the branches to establish new arrangements can be reasonably abridged to 3 clear “Nos” as, 1. “The allocation of funds is a national obligation”, managed by the National Board” (direct quote) and 2 “Consultation with Branches is an integral part of this process” (direct quote). If this were the case, then why would we bother raising a special resolution with over 50 signatures of long serving members who are unaware of such consultation about the Branch Administration Grants. 3. The rest of the reasons for “being unable to support mutual agreement for new arrangements can be summed up as indicating a view by the Board that the current arrangements are without issues. Again, if there were no issues why would over 50 informed members raise a special resolution seeking to discuss the issues?

5. The most telling issue related to Special Resolution 1 in the Board’s rational for “unable to support’ a process for mutual agreement is the statement “The allocation of funds is a national obligation, managed by the National Board”. Many things can be heard and interpreted from such a blunt approach. It is easy to hear in those words that the Board is not interested in any opinions external to the board. It is also easy to hear branches being told “accept what your given and we will decide that”. This is hardly the thing paying members of a respectable association would accept as reasonable and certainly even harder to engender perceptions other than that the board is there to autocratically govern the Association. The Corporation’s Act 2001 was specifically aimed at giving members more say in the corporations that they were supporting. We are encouraged today to hear Barry’s advice that the Board is intending to better provided for members to have their say in the Association affairs.

On behalf of the 50-plus members who initiated Special Resolution 1 we sincerely ask members present to support the proposal for discussion focussed toward mutual agreement between the OAA branches and the Board on the matter of the distribution of member subscription funds.

National Chairman.

- One organisation Branches are essential to the National outcomes.
- About access to funds by Branches.
- BAG funds increased and some additional funds for special purposes.
- Need to maintain Life Reserve. Not in babnk but active investment.
- Maximised drawdown to fund activities for members.
- Expenditure is not \$7.00 but \$31.00
- More funds to Branches requires either economies or increased fees.
- Vote against resolution.

Dr Frank Madill

- Obligation to maintain Life reserve.
- Aware that communication could be better.
- Essential to remember Board are volunteers working for good of association.
- Savings such as the E-Copy have generated \$25K and perhaps could do more.
- There is not a large unspent surplus to be distributed.
- Vote against the resolution.

Associate Professor John Harden

Comments in Support of Resolution 1. OAA AGM April 2019.

This resolution is about the establishment of new arrangements between the OAA Board and Branches in relation to the distribution of membership subscriptions. This is a simple resolution. It is a request initiated by the member's questions and interest in the funding and management of member services by the Branches.

It States, *that new arrangements be established by mutual agreement between the OAA Branches and the OAA Board for an equitable distribution of member subscriptions funds between the OAA Board and the OAA Branches.*

The background information provided to all members in support of the Resolution included the following statements. The current arrangements with the Branch Administration Grants (BAG) are ineffective and inappropriate to facilitate reliable and regular funding of member focused financial planning at Branch and Regional level. It is the actuarial strategy of retaining funds for the future servicing of Life members that may be one of the problems. Services to all members must be expanded and secured by an equitable distribution of members subscription funds between the Board and the Branches. It is the Branches and Regional Groups that provide the individual services so enjoyed by members.

Services Provided by Branches and Regional Groups include:

Organise and host events of interest to members;

Attend investiture Ceremonies and encourage awardees to join the OAA;

Organise and host functions to congratulate and welcome new awardees;

Know the members and their interests individually;

Encourage and facilitate nominations for awards in the Order.

Invite non members who hold awards to attend Regional events to encourage membership of OAA;

Respond to member's suggestions and requests;

Organise the National Conferences on behalf of OAA.

Objectives as Branches.

Our objective is to better service our members throughout the State by strongly supporting the Regional Groups. At present the Branch is not receiving sufficient funds from the Board to appropriately plan and support the Regional Groups and the members located throughout the State.

Queensland is the most decentralised State in Australia.47% of the population is in Brisbane and 53% in Regional Queensland. The distribution of our **Regional Groups** is as follows and the distances from Brisbane of major interstate Cities is also included for comparison.

Distance from Brisbane--- Far North Queensland 1680km equivalent distance to Melbourne.

“	Townsville	1,340km	“
Canberra			
“	Mackay	930km	“
Sydney.			

The distances for the other Queensland regional Groups are Rochampton, 655km; Wide Bay 360km;Sunshine Coast 100km;Darling Downs 130km; and Gold Coast 80km.

The financial support provided by the Board to the Queensland Branch at present is inadequate. Of the member subscriptions in 2018 the Queensland Branch received \$4.90 per member and in 2019 this is projected to be \$5.84.

Resources Currently Available.

Information to hand indicates that the Board is Budgeting to spend approximately \$300,000 per year distributed as follows .Possible savings in red.

The Order	\$83,000.	Reduce to two copies \$40,000
BAG to States	\$45,000	
Staff and Stepsoft	\$48,000.	
Bookeeping and Audit	\$42,000	
Rent and Insurance	\$11,000	
Telephone etc.	\$10,000	
OAA Board meetings.	\$40,000.	Reduce to two meetings \$20,000
National Project	\$10,000	Stop funding saving \$10,000
		Total Saving of \$ 70,000

This would result in \$115,000 available to distribute as BAG to States not \$45,000.

Final Points.

We propose a simple resolution(read it out again) requesting dialogue with the Board concerning distribution of the membership fees. Hopefully during this dialogue issues such,

as distribution of the membership of OAA (decentralisation) and Branch objectives and plans to service members can be discussed.

The current formula which is used for the distribution of membership fees to the Branches is flawed as is the drawdown on life membership funds.

I recommend Resolution 1, as published in the agenda papers for the AGM, to you and seek your support. Please vote in favour of the adoption of resolution 1.

Thank you Philip and Members.

John Harden AM 13/4/2019

Special Resolution 2 – Speakers Notes

Ms Margot Vowles OAM

- Supports the resolution and seeks AGM support.
- Having spent 22 years as an elected member of local government, lesson 1, you can't please everyone all the time.
- However, one must be open to debate and communicate with all constituents.
- The intent of the resolution is to bring the Association in line with expectations of the membership at large.
- Maybe the constitutional review internal committee should be re-established and called a Governance Review Committee to broaden its scope and give it powers to co-opt experts and conduct review after the strategic planning meeting in June 2019.

National Chairman

- Board agrees Constitution requires review.
- Work is well underway.
- Constitution needs to meet future circumstances.
- The Futures Day in June is to explore these circumstances.
- Best speed will be to use internal resources.
- Resolution offers unrealistic timetable.
- Vote against resolution.

Alan Hyam OAM

- I volunteered to review the draft revised Constitution to ensure that it complies with legal requirements, meets the needs of the Association and its Members, and does not contain internal inconsistencies and ambiguities.
- The task is already well in hand in accordance with the timetable set by the OAA Board.
- The drafting of Constitutions of voluntary organisations is an exacting and time consuming exercise to ensure that it is worded clearly and, so far as is possible, is not capable of mis-interpretation or disputation.
- It is important that every endeavour must be made to guard against errors, uncertainties, and inconsistencies.
- It is important the task be undertaken within a reasonable time, which should not sacrifice the need for care and diligence in drafting a document which will serve the OAA and its Members well for many years to come.

Tony Metcalf OAM

Special Resolution Debate Arguments ~

The Constitution and By-Laws of the Association were developed at the time the

association was founded on Australia Day 1980, and since that time only minor superficial changes have been made.

The Constitution no longer reflects the expectation that an association of members, who have already demonstrated their capacity to make extraordinary contributions to Australian society, are able to contribute, to the vision and objectives of the Association, and who wish to respond to the global changes that impact on the concepts of citizenship, service and altruism.

Social media has profoundly altered the ability of the public to institute change, and associations whose governance and policies remain rooted in a past era and hierarchical structure, are struggling to remain credible and viable.

Members are asking to be involved, consulted and engaged, and old-style hierarchical structures are being rejected in favour of those which see that the strength of any association lies in the diversity, connection and collaboration of members to achieve mutually agreed goals, not goals that are developed in isolation.

In the current structure, the people who should be setting the strategy and managing the culture and direction of the association are spending an inordinate amount of time on operational issues.

The current NFP environment does not support this situation, as it is not sustainable, nor is it conducive to future viability.

There is also the question of understanding the difference between being a Manager or a Director.

Reference to the responsibilities and accountabilities for the positions of Branch Director and Non-branch Director indicate that these are both treated more as managerial positions than as directorial.

The Association is dependent on the support of individual volunteers at Branch level for a majority of its operational functions. These include membership management, national conference management, corporate governance, financial management, branch supervision management, and volunteer management, all at Branch level.

The Branch co-ordination group (the branch committees) attracts high-value awardees with vast experience in various portfolio areas, generally accumulated over a long period, and generally involving experience within not-for-profit organisations. They have demonstrated responsible leadership within that sector.

The association should make full use of the skills and attributes of these members in addition to the commercial concessions offered to Not-For-Profit organisations.

The proposed special resolution does not request any immediate changes, neither does it cur across any sub-committee work to date. It merely seeks an independent assessment and report of what needs to be done to modernise and streamline the Association's governance.

The Board has raised a number of issues against approving the special resolution which only serve to confuse the proposal and will delay the work already underway to introduce long awaited and significant governance changes.

clearly

The considerable work already done by the review group is "a benefit to this resolution, in that it has identified a number of areas where changes may need to be considered. This work has provided a good lead-in to the proposed independent review, and will assist the achievement of what is considered a tight timeframe. This review has identified 16 areas where the current Association constitution content is not covered by the ACNC model template and a further 42 areas where changes could be made to our constitution to make it consistent with the ACNC model. I concede that a number of these differences could be relatively minor in nature, and thus may not be necessary.

The 5 changes made in the last 2 years were mostly superficial in nature and have made little difference to our operations. Without being too flippant about this, if it has taken 2 years to make 5 changes, how long will it take to make (16 + 42) 58 changes!

We have no published timetable or priority for any changes at this stage.

In addition, the in-house sub-committee has been asked to advise "What within our current Constitution, By-laws and Model Rules inhibits the governance and management of the Association". They have responded with a paper identifying 6 major areas.

- 1 The number and complexity of documents (now exacerbated by the introduction of a number of new or revised Policy documents)
- 2 Poorly drafted documents.
- 3 Lack of continuity in management
- 4 Members' views that they are disenfranchised
- 5 Timing requirements of Branch AGM's
- 6 Differences in the ACNC template not in our constitution.

This review committee has done an outstanding job in the circumstances, but being an in-house group I suggest that it may have overlooked some issues.

One of these issues is the way by which Board Directors are elected. Each State/Territory, through its branch committee, nominates a director who is then automatically elected to that position without having any approval by the membership at large (S14c)

These 8 directors then elect a further 5 directors (sought by application from the membership at large) to fill the "executive committee" positions, also with no approval from the membership at large.

I suggest that this method of electing directors for a Not-For-Profit, member based association is highly unorthodox under ACNC rules (S39-41) and not at all democratic.

In addition, the statement that there are no significant concessions as a result of a change in structure totally ignores the GST concessions given to Not-for-Profit organisations. It also ignores the risk management and governance benefits of each branch being separately registered as a not-for-profit association providing Independence, separate branch reporting, no consolidation issues, and local responsibility. A good example of this model is the NSA,

or Surf Lifesaving Aust., which are both models of a national organisation structured with separate State and local branches.

As I have previously stated. the board may have a timetable for changes, but it has not been communicated to Branches or members and open communication is one of our major issues.

The S.A. Branch resolution seeks to implement a wide ranging governance review, which in turn can then be given a timetable and priority for implementation.

I urge you to vote in favour of the resolution.