



# Presidents Podium

Volume 1 Issue 2

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**W.A. Division President Don Keene**

Photo courtesy of Mandurah Coastal Times

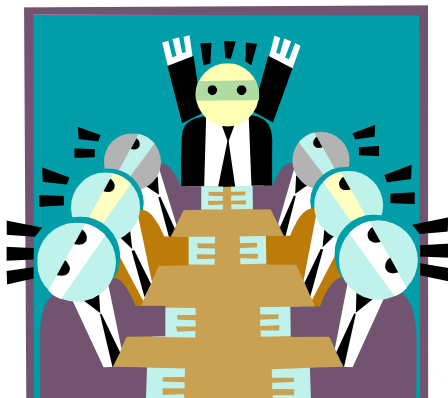
## Greetings Everybody

This newsletter is a special release highlighting the changes that are imminent within the company.

In addition to my general letter on this page, a letter from Theresa Kot is published on page 2

The proposed restructure is set out on pages 3, 4 and 5.

**Don**



### Murphy says

There's never time to do it right  
but there is always time to do it  
over

## Association of Independent Retirees Western Australia Division

Web based News sheet

### Restructure of the Board

I am writing to tell you that at its last meeting, the Company Board of Directors decided to submit for Members' approval, a proposal for its restructure. It has taken this major decision as a result of extensive consultation through Branches and Divisions, the members' forum and a questionnaire at the Caloundra Conference. Attached is a copy of an important message from our National President and a summary of the proposal. A copy of the complete proposal is available from the Division Secretary, Glen Cornish

You will recall that last September I convened a special Division meeting to discuss an initial restructure proposal. A unanimous decision was taken at that meeting that the WA Division wished the status quo to remain, particularly in relation to State based Directors.

This resolution was strongly conveyed to the next meeting of the Board by our state based Director at the time, Ron Davenport, the Immediate Past President. He and I also expressed this view at the Caloundra conference and later Ron submitted a further paper to the Board. However a clear majority were in favour of a restructure, generally in accordance with a paper tabled by Gerald Garrity and Bob Swords. All wanted a reduction in the size of the Board, including WA, arguing for a reduced number of elected Directors. All wished to retain parts of the present system.

At subsequent Board meetings the decision was taken that the Board members should be elected by the total membership rather than some by sectional interests. The strong view was that directors should be selected for their ability as a Director rather than from where they came. Thus the die was cast.

Ron Davenport and I are now fully committed to the proposal and strongly commend it to you for your total support. If adopted the proposal will entail changes to the Constitution.

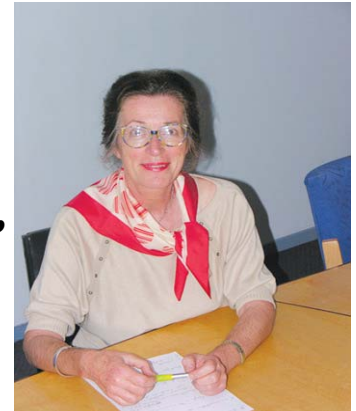
The proposal is to be put to an extraordinary general meeting of the Company in August, in accordance with the present Constitution to be voted on by delegates. If the resolution is passed by the required 75% margin, elections will be held for up to eight Directors so the new Board can take effect from the next AGM in November 2009

I will be contacting you further in the next month or so and hope to obtain your support and favourable endorsement of this proposed major turning point in the history of the Company

## **ASSOCIATION OF INDEPENDENT RETIREES (AIR) LIMITED**

ACN102 164 385

### **An important message from the National President, Theresa Kot.**



You will be aware that late in 2007 your Board began to question the way it was structured and the influence this was having on its ability to meet the needs of members. This was seen to be important because of the changing environment that the Company was operating in and the need to be able to establish a governance and management process that would enable the Company to grow and embrace the new challenges and opportunities facing us in an ever changing future.

Through a series of consultation processes input was invited from members including through the Branches and Divisions, the Member's Forum and questionnaire at the Caloundra Conference. All of the contributions have been reviewed in detail by the Board, and these present a clear support for change. They also presented support for some existing procedures.

There was strong support for a smaller, more responsive Board made up of directors that you elected from the membership for their skills as a director and their ability to manage the business needs of the Company. There was strong support for the retention of the three tier structure and a recognition that the strength of the Company lay in well managed branches. There was some comment about the role of divisions and there was some support for their abolition but this was not strong and, on balance, the opinion was firmly in favour of retaining the division structure.

After consideration, it has been decided that the Board should have up to 8 directors who are elected for their skills and are able to act independently on matters of governance, and cohesively to deal quickly with decisions needed to face new challenges and opportunities. To achieve these dual outcomes, a smaller, skilled Board acting for the whole Company, it was clear that the practice of nominating divisional representatives to the Board would have to be changed. This part of the proposal was broadly accepted by the submissions. It is however of concern to some.

Those who supported the change recognized the need to have the divisions focused on the needs and aspirations of members in their state. There was also a recognition that almost all of the matters that the Board manages relate to federal legislation and that all of these matters affect members right across the country in an equal way. There was some support to prevent a member who was a divisional executive office bearer from nominating as a director; your Board chose not to include this restriction.

The Board has paid careful attention to all of these matters and has taken the decision to proceed with a restructure that will establish a new Board. Nominated candidates who are members, who have the skills and who wish to use those skills in the interests of the Company, will be elected by a vote from all the members.

Following the February Board meeting, each division has been visited by Bob Shaw, one of your directors, to discuss the new Strategic Plan for the Company. The plan included an action to restructure the Board, those details had not been finalised, now, we can announce the future steps. A general meeting of the Company will be held in August 2009 to consider the required variation to our Constitution so that an election of directors can be held prior to the 2009 AGM in November.

Further visits to Division meetings by directors will commence, immediately, to present the details of the changes and to answer questions.

I commend this decision to you and recognize that it is a courageous one which will personally affect current directors who have acted in the interests of a stronger, more responsive Company.

Change is never easy but we are convinced that the views expressed by so many of our members are correct and I encourage you to direct your delegates and proxies to support this important initiative.

## PROPOSAL FOR THE RESTRUCTURE OF THE BOARD

SUMMARY JUNE 2009

### Introduction

The plan has been prepared in response to the resolution of the Company Board at its meeting in February regarding its proposed restructure

It was agreed

That the Board of AIR be restructured for the reasons contained in the previously circulated paper (see important message from our President Theresa Kot on page 2 )

That a Board of around eight members is elected by the full AIR membership, for their skills as Directors, with the president to be elected from within that number by the other Directors. That the Board allocates duties from time to time to suit the demands of a dynamic Strategic Plan (the Company Strategic Plan as presented by Director Bob Shaw to the WA division meeting held on 7 April has been approved)

That a working party be convened to develop a framework and structure for implementation of the recommendations on the restructure

By way of background, a careful examination of all of the contributions before, during and after the Caloundra Conference was carried out and then considered at two consecutive Board meetings, prior to the decision being made to carry out a restructure of the Board of the Company

### Recommendations from the membership

Topics supported by the membership

The retention of the three tiered system of management

State Directors

Skilled Directors

A smaller Board

Fewer "Office Holders"

Elections of Directors by the membership (Rather than by Branch Delegates

Delegation to the Secretariat (e.g. appointment of Company Secretary)

Topics not supported by the membership

Formation of a Divisional Representative Committee (as recommended by the Garrity/ Swords Report)

External Directors

A focus primarily on Cost Saving

### What is the charter our Board ?

"To ensure a strong voice for our members and effective systems to deliver good governance and effective member services "

The role of the Board is to

Govern the Company in accordance with the Corporations Act

Drive the Strategic Plan and allocate portfolios as required

Appoint members to specialist committees and monitor their work

Select which proposals to parliament will be supported by the Company

Develop and review Company policies

Be the public face of the company

Accept and execute specific business outcomes

### What we decided to recommend to the membership

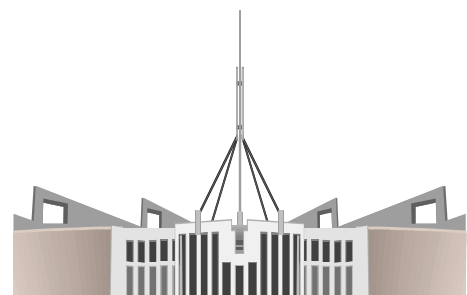
That the Board of AIR be restructured

That a Board of up to Eight Members is elected by the full AIR membership, for their skills as Directors ( the effect of this decision is to delete State based Directors elected by delegates from branches within States)

That the President to be elected from within that number by the other Directors ( the effect of this is to eliminate the positions elected by the membership of president, deputy president ,vice president, secretary, and treasurer)

That the Board allocates duties from time to time to suit the demands of a dynamic Strategic Plan

That the three tier system remains including the important division level



## What are the Issues to be considered to bring about the proposed change?

Legal  
Constitution and Rules  
Election Process  
Communication



### Issue: Legal aspects

The Key Outcome is to ensure that all requirements of the Corporations Act are complied with including

- Advise ASIC of revisions to Constitution when passed
- Needs a Special Resolution
- Changes take effect as stated in the resolution
- Need at least 3 directors
- At least one Company secretary
- Comply with requirements for timely notification to members and delegates
- Etc



### Issue Constitution and Rules

Key outcomes

- Vary the Constitution to support the proposed changes
- Only vary those sections of the constitution relating to the changes
- The Rules and Procedures are varied to support the proposed changes

**NOTE** the summary below provides/gives a brief explanation where the issue is not covered else where. Changes of an administrative nature are not highlighted

The sections of the Constitution that would need changing are

1. Definitions and Interpretation
5. Board of Directors
  - Directors will be elected for 3 years and can seek re-election for only one more consecutive term. They will retire by rotation
8. Delegates to general meetings
  - This section remains, however a new section is added that states that Directors shall be elected by a poll of all members and may be conducted by post or by an electronic medium
10. Annual General Meeting of the Company Basically unchanged

### Next steps

- Inform Members
- Vary the Constitution before proceeding further
- Continue with the current Board until a new board is elected
- Have a back up plan (that is ensure that a time frame is in place to give time to elect the “elected members” in accordance with the rules, should the variation not receive the required 75% majority



### The Programme

- Begin Consultation with Branches and Members straight away
- Put the variation to an extraordinary General Meeting (EGM) of the Company to be called for 11<sup>th</sup> August 2009
- Conduct advertising and hold an election for directors between the EGM and the AGM

(The variation will allow all members to participate in a poll to elect a board of independent, skilled directors to progress the interests of the Company)

Declare the poll at the AGM, immediately after which the current Board retires

Continue the current board until declaration of the poll, and hold initial meeting of new board shortly after AGM

## The Election Process

### Key Outcomes

Ensure sufficient properly qualified candidates offer themselves for election

All members have the opportunity to cast a vote

Costs are contained to a reasonable level

### Process

There will be a postal vote

It will utilise the magazine and reply paid postage system

There will be a returning officer and committee

### Job description

A person elected as a director will be responsible with fellow directors, to govern the Company on behalf of the members and in accordance with its constitution and the law. A very comprehensive job description has been prepared and will be made available later as required

### The people required

Similarly to the job description a very detailed list of attributes of potential directors has been compiled and will be available later



## Places to advertise

The Independent retiree Magazine

Branch and Divisional Newsletters

Direct contact with members via email

Posting on the website

Word of mouth through divisions and branches



## Communication

### Key outcome

All members will have the opportunity to understand the changes prior to voting. This will be achieved by

An article in the winter edition of the Independent Retiree Magazine

A presentation to Division Committees

Branch Presidents to inform Branches

The Divisional President will visit Branches

Delegates will be notified as required by ASIC.



**Note: As mentioned elsewhere a complete copy of the document will be available from the Division Secretary, Glen Cornish**

**The 'Complete copy' is a 28 screen Power Point presentation from which the above has been distilled.**