

6.1B

DRAFT ONSW POSITION PAPER FOR 2016 ORIENTEERING AUSTRALIA CONFERENCE

NATIONAL MEMBERSHIP MODEL COMPANIES LIMITED BY GUARANTEE

This paper is a draft.

The ONSW Board has not fully considered it and it contains suggestions which the ONSW Board might not agree with. But, given the time available to review OA Papers to the Conference, we believe it is worthwhile circulating to Conference and for conference to use it in its discussions.

Orienteering NSW's position

ONSW supports OA's proposal to move to a national membership model. But, our support is conditional. The proposal needs to be implanted in a business-like manner. It should result in our marketing being more effective. And the process must assist our volunteers and employees to concentrate more on activities that directly align with OA's goal of increasing participation. We agree with OSA's view that Eventor is essentially already a National orienteering data base what we need to review is the functionality of Eventor and how to fully leverage National Membership for both OA and the members.

We believe the change to a company structure has enough benefits to proceed with. It can be achieved with little effort or discussion.

We outline how we believe the two proposals should be implemented. Stages 1A, 1B and 1C should progress first and in parallel. Stage 2 should only begin once Stage 1 is complete.

Stage 1A – ensure Eventor processes all membership applications without administrative assistance

Background

Orienteering NSW has a paid Administration Officer who handles all membership applications. His comments follow.

- The membership part of Eventor is not as effective as the entry part.

- He manually enters about 10% of members' applications. Hard copy forms mostly come in from older orienteers [all of whom now enter events using Eventor]. A hard copy form from one new family membership can take 30 minutes to process.
- He spends 2 to 4 hours a week on average processing membership applications including sending welcome emails to new members.
- He would be happy for OA to take over this role.

His job is, to some extent, funded by a grant from the NSW Government. We doubt that we could use this grant to pay a National Sporting Organisation employee.

Implementation

Eventor should be able to:

- process all membership applications;
- provide new members with information that will entice them to regularly orienteer;
- provide clubs with the information they need to welcome new orienteers;
- provide clubs, States and OA with the membership information they need to manage their activities;
- provide States and OA information membership information needed to measure the success of their strategic goals;
- eliminate the need for administrators to be involved with any of this work; and
- allow three tiers of membership – national, state and club.

Effective systems are built on business processes that are efficient and logical. Our current State membership rules might not fulfil this prerequisite.

All of this sounds like a job for the Eventor Working Group.

Proposal 1A - We believe Conference should give the OA Board a mandate to provide an OA General Meeting with a:

1. detailed proposal on how to move from existing State membership structures to a structure that would allow Eventor to move to process memberships automatically;
2. costed proposal on upgrading Eventor; and
3. costed proposal on how the upgraded Eventor membership system will be operated and maintained.

Stage 1B: ensure the OA website is a first class marketing tool

This should occur at the same time as Stage 1.

Our Stage 1A goals include" provide new members with information that will entice them to regularly orienteer". We envisage that most of this information would be available on the OA website.

More broadly, we believe the OA website should be the focal point for Australians who might want to become an orienteer, orienteer more often or move from one form of orienteering to another.

Proposal 1B - We believe Conference should give the OA Board a mandate to do this. Again, the OA Board should provide an OA General Meeting with costed proposals similar to those outlined in Stage 1.

Stage 1C: general review of orienteering's governance and performance

We accept Orienteering Victoria's comments that:

- There is resentment in some parts of the O community about support for 'elites' and high performance. They do not see why they should subsidise the High Performance program when they see mixed results. There are even perceptions of HP athletes travelling to Europe and "not bothering". We are not saying that perception is reality but the perception exists and has been relayed to our committee members.
- All governance bodies, be they at state or national level, are viewed with hostility by some even though OA and OV are just volunteers elected from the community to represent them.

The best way improve and dampen any resentment or hostility is to demonstrate that orienteering is already, or is moving towards, a well run sport.

Proposal 1C - We believe there is a need for an external consultant-style review of orienteering in Australia, its governance and how well it is performing. OA should ask the ASC if it can provide someone to lead or participate in this review. There will be orienteers that are willing and have the relevant professional skills to contribute constructively to this review.

Stage 2 –OA's move to a company structure

Within reason, OA can do whatever it wants regardless of whether it is an ACT association or a company.

We see a number of advantages in a company structure.

- The ASC's training material and policies on governance are very high quality. They are built on things other sports have done well and draw from lessons other sports have learnt the hard way. The ASC's material on company structure falls into this category.
- It sucks up to the ASC - OA's regulator and major provider of funds. This can provide significant benefits.
- The ASC provides an excellent template constitution for National Sporting Organisations. If this is adopted, OA can almost completely eliminate discussions on Constitutions and simplify the process of changing to a company structure. We agree with Orienteering Victoria that discussions on constitutions take up too much time and energy.
- The Corporations Act does not require the public officer/company secretary to be an ACT resident. OA does not currently have a Secretary. It should. That person should be the public officer. It is difficult for OA to do this when the person can only come from the ACT.
- The ASC model constitution allows incorporated clubs and individuals to be members of the national sporting organisation. States, not than individuals or clubs, have voting

rights under the model constitution. We agree with the ASC that “Individuals being Members assists enforcement of national policies.”

- Corporations Act requirements on directors are good practice that we believe OA Directors have always followed them. These requirements are more likely to be updated to reflect community expectations. We see this as a positive.
- The Corporations Act and the Model Constitution allow for the company to indemnify its officers (Director, CEO or Company Secretary of the Company). This fits in with standard directors and officers insurance. OA does not currently have this in its constitution.

We believe the only disadvantage is cost and this seems to be minor.

Companies that are limited by guarantee have to specify in their constitution how much members would pay if the company is wound up. The amount in the ASC template constitution is \$1. In our view, in the unlikely event OA became insolvent a liquidator would not chase members amounts up (as the cost of collection would exceed the revenue received).

When should OA become a company?

The ASC points out that “Individuals must actually consent to membership; they cannot automatically become Members upon joining a State Member or an Affiliate.” This flows from section 231 of the Corporations Act:

231 Membership of a company

A person is a member of a company if they:

- (a) are a member of the company on its registration; or
- (b) agree to become a member of the company after its registration and their name is entered on the register of members; or
- (c) become a member of the company under section 167 (membership arising from conversion of a company from one limited by guarantee to one limited by shares).

Proposal 2:

Once Stage 1 is complete, OA should appoint a small working group to investigate whether OA can adopt the ASC Template Constitution in full and discuss with the Board how this will operate in practice. Ideally, the working group should contain at least one lawyer with relevant experience. The working group should draft a constitution and an explanatory paper so the revised corporate structure will be accepted at a General Meeting of OA.

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