

Council on the Ageing Western Australia Incorporated (COTA WA) – AGM 2023 Explanatory Statement

Dear COTA WA Members,

The Board provides this Explanatory Statement as part of your AGM papers for the COTA WA AGM scheduled for December 21, 2023. Our aim is to present important information regarding two Special Resolutions that you will be asked to vote on during the AGM. We understand that your passion for COTA WA and its continued success is of paramount importance.

The Current Situation

For more than 60 years COTA WA has been a vital advocate for older Western Australians, starting our proud history as the Old People's Welfare Council of Western Australia. However, in recent years, COTA WA has faced significant financial sustainability challenges. Despite our best efforts, and the dedication of staff, CEOs, and the Board, a sustainable funding solution has remained uncertain.

The reality is that, despite our best intentions and the best hopes for our organisation, the funding situation is unlikely to improve without a fundamental change in our structure and approach. The overarching imperative for the Board is to ensure the long-term future of COTA WA and its service to older West Australians.

To address these challenges and create a sustainable path into the future, the COTA WA Board presents two Special Resolutions that it unanimously endorses:

Special Resolution 1: Conversion to a Company Limited by Guarantee

The first Special Resolution proposes the conversion of the legal structure of COTA WA from an Incorporated Association to a Company Limited by Guarantee. This transition will also see a restructure of the membership of COTA WA where COTA Australia becomes the sole voting member of COTA WA.

All existing COTA WA members will have the right to apply for membership of the restructured COTA WA Limited. This new class of membership will allow members the same rights and privileges that currently exist, except the right to vote at general meetings. Your voice will remain at the centre of COTA WA.

If you would like to apply for membership of the restructured COTA WA Limited, you are asked to complete an application form, which can be accessed via our website at www.cotawa.org.au. Return the completed form to membership@cotawa.org.au or via post to: COTA WA, City West Lotteries House, Office 10, 2 Delhi Street, West Perth WA 6005. The form will also be available at the AGM. The restructured COTA WA entity will be a company limited by guarantee.

What this means is that each member will need to provide a guarantee to COTA WA to contribute a nominal amount of \$10.00 to the assets of COTA WA in the unlikely event COTA WA is wound up while they are a member (or within 12 months of ceasing to be a member). This does ***not*** require an up-front payment at the time of becoming a member.

If a current member does not provide a signed application form to COTA WA, they will cease to be a member of COTA WA on the restructure taking effect. This does not, however, prevent a person from applying for membership after the restructure takes effect.

It is crucial to highlight that we have taken steps to ensure that COTA WA's core purpose remains the same and older Western Australians are firmly cemented in this proposed restructure. The objects of COTA WA have not changed; refer below. COTA WA will also retain all of its tax endorsements and concessions which includes, importantly, that it will remain an organisation to which tax-deductible gifts can be made.

The new Constitution will guarantee that a minimum of two Directors on the board of COTA WA Limited are based in Western Australia. This has been established to guarantee Western Australian representation in the future governance model of COTA WA.

COTA WA will remain an entity in its own right. The proposed restructure will make COTA WA a wholly owned subsidiary of COTA Australia, ensuring the needs of older West Australians continue to be at the centre of our mission and purpose. Further, the new legal structure ensures that all funding, and surpluses, are retained in COTA WA.

In addition to seeking member approval, the proposed restructure is subject to a number of other conditions before it will become effective - including making application with DMIRS and the Australian Securities and Investment Commission and obtaining consent from key funding parties. These conditions are expected to be satisfied without issue.

Special Resolution 2: Adoption of a New Constitution

The second Special Resolution seeks the adoption of a new constitution that is aligned with the Company Limited by Guarantee structure. Importantly, COTA WA will become a Company that is registered under, and governed by, the Corporations Act 2001 (Cth).

This new constitution will enable COTA WA to facilitate the transition and formalise the relationship with COTA Australia.

Importantly, the Objects of COTA WA, which define our core purpose and mission, will remain unchanged. COTA WA will remain committed to:

- Providing assistance and relief to older Western Australians, particularly those facing hardship.
- Advocating for the rights and needs of older Western Australians, especially those most vulnerable.
- Championing the causes of older Western Australians by informing and influencing policies and services affecting them.
- Collaborating with various stakeholders to improve the health, safety, and well-being of older people.
- Developing and delivering programs and services that empower older Western Australians.
- Supporting and promoting research related to older people.

Benefits of Approving the Special Resolutions:

The COTA WA Board strongly believe that:

1. **Access to National Funding:** As a Company Limited by Guarantee, COTA WA can tap into national funding opportunities for key initiatives that directly benefit older Western Australians.
2. **Increased National Reach for State-Based Funding:** When applying for state-based funding, having COTA Australia as our partner enhances our credibility and enables us to serve the interests of older Western Australians more effectively.

3. **Collaboration with COTA Australia:** This transition paves the way for more efficient collaboration and resource-sharing with COTA Australia. Together, we can better work towards common goals and tackle issues affecting older Australians.
4. **Operational Efficiencies:** Consolidating our back-office operations with COTA Australia means pooling resources in areas such as Human Resources, Payroll, Finance, and Daily Operational Costs. This will allow more of our funding dollars to work directly for older West Australians.
5. **Amplified Advocacy, Media, and Policy Impact:** By joining forces with COTA Australia, we amplify our advocacy efforts, media presence, and policy influence, making a more significant impact on issues that matter most to you.

The Implementation Process:

To bring these Special Resolutions into effect, a series of steps are necessary. COTA WA must undergo the process of converting from an Incorporated Association to a Company Limited by Guarantee; adoption of the new Constitution is required to support this transition. We will formalise this restructuring by entering into a Deed of Implementation with COTA Australia.

Legal representatives from both parties have been engaged to facilitate the restructure and transition processes upon adoption of these resolutions.

As your dedicated Board, we have been on an exhaustive journey for some years to achieve long term financial sustainability and a rock-solid future for the organisation. The Board understands that these changes may be met with mixed emotions. However, the Board believes that this strategic shift is in the best interests of COTA WA and the older Western Australians that it supports.

If these Special Resolutions are not approved, it is with a heavy heart that the current COTA WA Board would be compelled to consider their future with COTA WA. This decision is not taken lightly and is a reflection of the critical importance of these resolutions in securing our organisation's future.

We encourage all members to have your say on these critical Special Resolutions that will define the future of COTA WA. Your voice and support are invaluable in this process.

We look forward to your participation and support at the AGM, where you will have the opportunity to vote on these resolutions. Please do not hesitate to reach out to us if you have any questions or concerns. Your engagement is deeply appreciated, and together, we can strengthen our ability to advocate for and empower older Western Australians.

On Behalf of the COTA WA Board,

MARY ANNE STEPHENS
Board Chair
COTA Western Australia