

## 2019 AGM Special Resolutions

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# Background

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## Why are we changing the constitution?

As the Board and Executive Team have come to better understand the organisation, it has become clear that some changes should be made to our governance structure which will improve our operational effectiveness. Over the past few months, the YWCA Australia Board has undertaken extensive work to consult with members and review our Constitution.

## What are the key changes?

There are extensive changes to the Constitution but the vision and objects of the Company remain the same, as does the way we deliver programs and services. The areas of significant change are:

The Board has proposed the following special resolutions:

1. **Removal of the prohibition on directors receiving remuneration** – this change will mean that in future directors can receive remuneration for their services. Remuneration cannot be introduced until the Board puts forward another resolution to our membership to approve a ‘remuneration pool’ in approximately two years’ time.
2. **Age limit of members to be lowered from 16 to 12 years** to be inclusive of young women – our key target audience. YWCA is committed to raising the voices of young women and providing opportunities for leadership and advancement. (insert clause)
3. **Quorum to be reduced** from 50 to 30 members attending the AGM. This does not limit the number of people who can attend, it simply reduces the number required for an AGM to go ahead. (insert clause)
4. **Change to the appointment process of directors** with 60% elected by the membership and the rest appointed by the Board to ensure we have the right mix of skills and experience. The President will also be appointed by the Nominations Committee.
5. **Simplification of provisions around Young Women’s Council** to enable the Council to be innovative and have agency over how they operate.
6. **Simplification of provisions around Nominations Committee** which will enable the Committee to have a broader remit of duties and responsibilities and agency over how the Committee operates.
7. **Miscellaneous changes to the constitution** which are outdated or overly burdensome including removal of ability to appoint a Managing Director, removal of requirement for President to be on every Committee and additional changes to improve readability.

# Removal of the prohibition on directors receiving remuneration

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## **Why are we paying board directors?**

As an organisation working to advance gender equality, we believe it is fundamental to pay women a fair and equitable salary for work which is aligned with our purpose and values.

The future payment of board directors represents an investment into our most precious resource, the people that lead and govern our organisation, and will significantly improve our capacity to deliver on our purpose and strategic plan.

Our organisation has grown significantly, and with it, so has the time and regulatory burden on directors. We expect that an investment to compensate directors will deliver a measurable return through improved governance, wider networks for attracting funding and increased revenue through new partnerships and sponsorships.

## **Given the current financial position, do we need to introduce paying board directors right now?**

Remuneration cannot be introduced until the Board puts forward another resolution to our membership to approve a 'remuneration pool'. It is intended that this remuneration pool will be proposed to the membership in approximately two years' time subject to the financial position of the organisation. Further, by this time all current Board directors will have moved on, thereby removing any conflict of interest.

Once the remuneration pool has been approved by our membership, the Board will make a decision each year as to whether the remuneration pool will be distributed after consideration of key issues including the current financial position of the organisation. Independent advice will be sought on the level of remuneration that should apply to individual directors.

## **Where will the money come from?**

YWCA Australia is unique amongst not-for-profit organisations in being not wholly dependent on grant funding or fundraising revenue.

Our Profit-for-Purpose businesses Song Hotels and Kitchen in Sydney deliver additional untied funding to YWCA Australia towards our operating costs. Board Director remuneration will be drawn from these profits and will not be taken from grant funding for programs and services.

While this does mean that these business profits will not be reinvested into YWCA programs and services, we believe that the investment into a quality skills-based board will deliver a better end result for the organisation with a measurable return on investment.

YWCA Australia does not intend to implement remuneration for at least two years, at which time the membership will be asked to vote on the approval of a remuneration pool. The remuneration pool must be approved before any remuneration may be paid to directors.

## **Other not-for-profits don't pay their directors, why should we pay our board directors?**

It is becoming increasingly common for not-for-profit boards to pay their board directors in recognition of the time and effort required in effectively serving as a board member. A report by the Australian

Institute of Company Directors indicates that up to 35 per cent of NFP board directors are now paid for their time, skills and expertise.

Organisations that are similar to YWCA in their strategic priorities, for instance Our Watch, paid over \$70,000 to board directors in the last financial year.

**For nearly 140 years, YWCA Board Directors have not been paid and have given of their time and expertise generously. Why should this change now?**

Our board directors have always been generous with their time and expertise and have guided the YWCA movement to the strong position we are in today. For their guidance and input to this point in our history, we are truly grateful.

However, we also recognise that there is a gendered element to volunteer work - women are more likely than men to undertake volunteer work and unpaid labour. YWCA has a commitment to advancing women's economic security and we feel that it is appropriate to pay our board for their time.

In addition to this, we believe that this is the time to take YWCA board director input to the next level and attract a skills-based board with financial compensation. In 2018, we merged eight member associations into one to future-proof the YWCA. This is the next step we need to take to ensure we have a board with a strong skills base and experience in setting strategy and direction.

## **Age limit of members to be lowered from 16 to 12 years old**

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**Why are we lowering the age of voting members – do 12-year-olds really understand what they are voting for at an AGM?**

YWCA believes in intergenerational leadership, which means actively seeking ways to share decision-making spaces with young women and girls. The AGM is one of those spaces and it's vital for our organisation to have young women's voices considered in the decision-making and direction of YWCA Australia. After all, YWCA is a young women's movement and YWCA is committed to raising the voices of young women and providing opportunities for leadership and advancement.

Lowering the voting age to 12 aligns with the age young women are eligible to join the Young Women's Council, and for many young women participating in the AGM is another learning experience on their leadership journeys. We are confident that young women, including our 12-year-old members, are passionate enough about gender equality and the YWCA movement to vote at the AGM in an informed way.

All members, regardless of their age, will be provided with background information on all proposals put forward at AGM. In keeping with the Corporations Act, all Board Directors will be aged 18 or over.

## Quorum to be reduced

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### **Why is YWCA Australia decreasing quorum numbers?**

We're really excited by our ever-increasing membership and supporter numbers and the growing YWCA movement across Australia. At the same time, we recognise that membership means different things to different people.

Quorum is the minimum number of members required for an AGM to go ahead. Currently, if we do not have 50 members attend the AGM then that meeting cannot go ahead and we will incur the cost of arranging another AGM at a later date.

Decreasing quorum does not reduce the membership's ability to influence YWCA's activities. In fact, our members can vote for resolutions online, which gives a level of flexibility many member organisations do not provide. This means that members can have their say without attending the AGM if they wish.

### **Shouldn't YWCA be trying harder to get more members to attend the AGM, rather than giving up at only 30 members?**

Setting and achieving a quorum of 30 members is a governance requirement in our Constitution, it does not mean that only 30 YWCA members can attend the AGM. The lowering of quorum numbers helps to reduce the risk that the meeting will need to be reconvened, costing the organisation time and money.

This year, we are excited to combine our AGM in Adelaide with an event celebrating 125 Years of Women's Suffrage in South Australia. We expect to have up to 100 people attend this celebration, many of whom we hope and expect will be YWCA members.

## Change to the appointment process of directors

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### **Why are you proposing to change the ratio of directors elected by the membership?**

As one national organisation, we need to ensure that we recruit the right mix of skills and experience to support our five year strategic plan and our bold goal to reach 2 million women.

This resolution proposes that we change the election of directors from 100% elected by the membership to 60% elected by the membership and the rest to be appointed by the Nominations Committee on a skills basis.

This change to the constitution will ensure that we can more effectively target the skills required for our organisation and its Board.

### **How will you recruit the President of the Board?**

The President will also be appointed by the Nominations Committee. We will be using a recruitment firm to assist with selection of the next YWCA President – candidates may be current directors or external applicants. In future, the Nominations Committee may choose to appoint from the existing directors. We are keen to maintain flexibility on the process to be undertaken for the recruitment of future Presidents.

## **How will you ensure that young women or women from diverse backgrounds who may not yet have a lengthy work history will be considered for the Board?**

We are confident that young women will still be represented on our Board, as the Constitution commits to having 30 per cent of our Board be young women under the age of 30. In fact, we go above the World YWCA requirement which is 25 per cent. YWCA is, and always will be, an organisation dedicated to positively impacting the lives of women, young women and girls. We are committed to raising the voices of young women and providing opportunities for leadership and advancement.

We have enshrined this into our Constitution with the creation of the Young Women's Council and in our Board ratios. We have also enshrined this into our 2019-2023 Strategic Plan, with a focus on leadership and creating spaces for young women to become leaders and drive positive change.

As an organisation, we are also working on developing a Board traineeship opportunity, which will serve as a future pathway for young women to join the Board.

We acknowledge that we have more work to do to achieve a better balance of diversity and skills on our board. Diversity brings new perspectives and a move away from 'group think' and will give us a deeper understanding of the needs and aspirations of women across the country.

We are pleased to see the level of diversity being achieved in our Young Women's Council and we will explore more actions that we can take to increase diversity across our governance and leadership. Many of our programs and services such as Every Girl, Youth Frontiers and SHE Leads High create pathways for young women and diverse women to access board opportunities with at the YWCA and with other organisations.

## **Simplification of provisions around Young Women's Council**

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### **How are you simplifying the provisions around the Young Women's Council?**

We are seeking to empower the Young Women's Council to be innovative and to have greater independence. The YWC members will have greater agency to decide what type of Young Women's Council they want, and make recommendations on the optimal size, structure and composition, as well as the best way to run nominations and elections processes.

Removing some of the strict requirements in the Constitution means we can keep reviewing and improving the process each year. The current Young Women's Council have already established a working group to discuss possible improvements.

We retain other measures of equal representation in our Constitution, including Aboriginal and Torres Strait Islander representation, as well as state and territory representation.

### **What will the nominations process for the Young Women's Council look like moving forward?**

The recommended nominations process for recruiting the Young Women's Council from 2020 will come from the young women themselves!

As with previous YWC nominations processes, achieving diversity within the group will be established as a priority. The Young Women's Council will also be supported by YWCA staff to ensure the process they propose is achievable and aligned to YWCA values and goals.

## Simplification of provisions around Nominations Committee

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### **Will the role of the Nominations Committee change?**

The Nominations Committee will remain as will the requirement to have two member elected nominees. The Committee has been constricted in its role by having its duties and responsibilities enshrined within the Constitution. By removing this prescription the Nomination Committee will be able to develop a Charter which will set out appropriate roles and responsibilities to make best use of the Committee. There will not be any change to the responsibilities that are currently set out in the Constitution.

It is unusual for a Board Committee to have its role enshrined within the Constitution. We are seeking to put the Committee on par with the other Board Committees, which will enable regular review of its role and responsibilities by the Board.

## Miscellaneous changes

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### **What are the miscellaneous changes?**

There are a number of changes where the Constitutional wording is now outdated, has become overly burdensome or did not provide adequate clarity as to their meaning. including:

- Removal of ability to appoint a Managing Director – not required
- Removal of requirement for President to be on every Committee – overly time consuming
- Improvements to formatting and readability.