FAQs about the proposal to wind-up DAA

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Why is the Board proposing to wind-up DAA?

How did the Board come to the decision to wind up?

Over the course of 2020 the Board undertook extensive planning sessions to review our situation and plan for the future.

To support these discussions, DAA engaged external consultants to broaden our perspective, to critically reflect and to strategise feasible options other than winding up and to consult with members.

In brief, we identified that:

- for many years, member and group numbers have been in decline
- DAA's income and donation base has also been in decline
- we have been operating at a loss for a number of years
- DAA Groups were operating successfully as independent bodies
- DAA had perhaps achieved its purpose.

How sustainable is DAA's financial position?

DAA's declining income was flagged in the Annual Report as early as 2011. The 2019 Members Meeting in February reiterated that the financial losses were unsustainable.

DAA has done very well over the past 10 years to manage within a tight budget, with declining memberships and donations and with limited staff resources. However, our financial situation is unsustainable and COVID has brought the situation to a head. Importantly, we need to ensure that our financial and legal obligations are met as a solvent body.

How have members been consulted as part of this process?

Using grant funds, DAA engaged independent consultant *d*-sipher to gain insights into the views of DAA members.

13 one-on-one in-depth interviews were conducted with members in December 2020. All interviews were confidential and conducted in line with the Australian Research Society and the Australian Evaluation Society code of ethics. Overall results were reported to DAA and this provided an evidence base to assist the Board with its decision-making.

An Executive Summary of the report will be made available.

Has DAA achieved its purpose?

As part of the planning process in 2020, the Board examined two key questions: "What is it that we really offer our members?" and "What is the purpose of DAA?"

We realised that perhaps we've done what we set out to do:

"Dragons Abreast is a leader in the movement for people affected by breast cancer; spreading awareness, empowering individuals, and educating on the benefits of an active lifestyle after diagnosis."

Over time, as Groups became more independent, the need for a national body and the support for DAA from groups has steadily declined. Most Groups are successfully operating within their own resources and capabilities. This is an achievement that we can all be proud of.

Our role is now to hand the baton over to DAA Groups and Coordinators to continue the good work to:

"Encourage wellness, fitness, fun and camaraderie for breast cancer survivors through the sport of dragon boating and promote breast cancer awareness Throughout our community."

Why is the Board proposing to wind-up now? Can't we keep going?

The combination of DAA's financial position and a lack of suitable alternative options, led us to the decision that it would be wise and prudent to take steps now to wind-up DAA in its current form. We must meet our responsibilities under the DAA constitution and ensure that our duties and legal responsibilities as a charity are met under the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act).

What options did DAA investigate to continue operating?

What options did DAA investigate?

Over the past year the Board invested much time and effort into investigating alternatives to winding up and how we might preserve DAA in some form.

Options investigated included merging or partnering with another organisation or becoming a charitable foundation as well as other options.

After much discussion and a critical assessment of these options, the Board came to the conclusion that none of these options were a good fit with DAA, our Groups and members, or with our purpose.

Can DAA collaborate with BCNA or another group to keep us connected or even merge?

Each of the options, including collaboration with BCNA, were assessed against criteria, including to what extent the intent of DAA would likely continue in a partner organisation.

Given the specific focus of DAA and our Groups on paddling for breast cancer survivors, the Board assessed that it was unlikely that another organisation would be able to sustain this focus and support DAA Groups into the future.

What has the Board done to attract new members?

Most new members join Groups as a result of the promotion undertaken by local Groups.

DAA's website was recently enhanced and upgraded (using grant funding), in order to have a stronger online presence to better promote Groups and membership.

What is DAA doing to raise money?

The Board and staff have been working hard to raise funds, approach sponsors, apply for grants and introduce fundraising initiatives.

In the last 12 months we introduced a number of new fundraising initiatives, including Play4Purpose, Coffee Challenge and Valentine's Day. However, support from members was weak.

Whilst individual Groups have been successful in gaining local level sponsorship, at a national level there is significant charity fatigue and the competition for sponsorship dollars is fierce. The 2019 bush fires and COVID has made it increasingly difficult to raise funds.

DAA has had some success in applying for grants for funding to ease the strain on office expenses.

Unfortunately, like many national bodies, COVID constraints affected DAA financially. Without the ability to hold a significant event / activity we were unable to attract a large source of funding.

DAA will continue to raise funds in the lead up to the vote at the Special General Meeting.

Is DAA able to apply for more grants?

Yes. However, based on our financial situation, grant funding alone is insufficient to sustain DAA. In the past we have found that DAA is often ineligible for many grants.

DAA will continue to apply for grants in the lead up to the vote at the Special General Meeting.

If DAA winds-up what impact will this have on Groups, Coordinators & Members?

Will our individual group be able to continue?

Yes. Most Groups will continue on as usual.

All Groups are independent and have been successfully operating under their own constitution and financial resources.

Can we keep our team's name?

Yes.

What will happen to the logo on equipment and team shirts?

Existing members are able to continue using DAA logos on equipment and clothing.

Individual Groups will need to make their own arrangements regarding the creation of any future logo for their own group.

I'm an individual member of DAA. What will happen to me?

All memberships will roll over for another year. We encourage you to connect with your nearest group and consider joining up as a non-paddling survivor or supporter member.

If you want to continue to paddle, you will still need to pay AusDBF or relevant statebased fee.

Can I still paddle at an IBCPC event?

If you wish to paddle at an IBCPC event you will need to join an IBCPC member group as DAA is not a member of IBCPC.

If DAA winds-up what impact will this have on overall coordination across all Groups?

Who will now coordinate activities across Groups?

Our role is to hand the baton over to DAA Groups and Coordinators to continue the good work being undertaken. It will be up to individual DAA Groups and Coordinators to work out how they would like to continue working with each other.

Individual members and Groups already connect and interact via existing social media platforms.

On request, DAA will assist where possible to support Groups through this phase.

At their discretion, DAA Groups may choose to link up, liaise and coordinate joint initiatives with other DAA Groups.

How will Groups have access to each other's contact information?

Should the wind-up be approved, DAA will seek permission from its members prior to sharing any individual member and/or group details.

Who will help our Group with internal issues?

DAA will continue to support Coordinators with any internal issues where appropriate and up until a reasonable time prior to winding up.

Group members are advised to continue to seek guidance from their Coordinators in the first instance.

What will happen to DAA website and other social media?

Should the wind-up be approved by members, as part of planning for the next 12 months, DAA will advise members in a timely manner when the DAA website and social media platform will be disabled and no longer available to the general public or member groups.

What will happen with national and international regattas?

Individual Groups will make their own decision and arrangements about participating in national and international regattas.

DAA will no longer coordinate these activities.

What about new breast cancer survivor groups?

Other breast cancer survivor groups already paddle under their own banner.

Any new groups wishing to start will do so under their own initiative, but without access to the DAA name or logo.

If DAA winds-up what arrangements will Groups need to make?

What arrangements should our Group make?

Each Group should review all arrangements and agreements that it has in place with other bodies and any documentation references to DAA, including:

- reviewing their constitution and requirements
- reviewing insurance arrangements
- agreements in place with the local paddling or other group
- agreements in place with sponsors or a grant funding body.

Will this have an impact on our Group's financial situation?

Money that has been raised by member Groups will stay with member Groups to use as they see fit.

Can our group still fund raise and apply for grants?

Yes.

Your group is encouraged to continue as usual until the vote at the Special General Meeting on 24 June 2021.

If the vote is 'yes' to wind-up DAA, DAA will formally notify all Groups when to cease using DAA's name and ABN. Up until this time Groups may use DAA's name and ABN.

Funds raised for an individual Group belong to that Group.

All money raised for DAA will form part of the legacy fund.

If DAA winds-up what will happen with any remaining funds?

Can't we spend the remaining DAA funds on something for our Group?

No.

We are bound by the DAA Constitution to ensure the funds are transferred according to Section 19.5:

"If the Gift Fund is wound up, any surplus over its liabilities will be transferred to another organisation or fund in Australia to which income tax deductible gifts can be made."

DAA Legacy and remaining funds

Although we are winding up DAA, the Board is judiciously managing funds to retain a reasonable pool of funds to create a legacy of DAA.

What has DAA achieved?

Let's celebrate our achievements

Let us remember and celebrate all of our incredible achievements! In 2021 DAA will celebrate its 23rd anniversary and we will leave an important legacy.

With the support of local coordinators and members, DAA has achieved its purpose and goal to establish breast cancer survivor dragon boat groups in Australia. Since founding DAA in 1998, 28 paddling groups continue their activities in every State and in the ACT and thousands of members have been a part of DAA.

We are proud to say that we have made a difference in the lives of an incredible number of breast cancer survivors.

We have made friendships and cherished memories that will last a lifetime.

Our membership and the future

There are 28 individual DAA Groups and the majority are in a good position to continue and to thrive into the future. We are fortunate to have wonderful Coordinators and volunteers who are the backbone of these Groups.

Partners, Sponsors and questions from other organisations

What if someone asks what's happening with DAA?

DAA will advise key stakeholders at an appropriate time depending on the outcome of the vote on 24 June 2021.

Until member's vote on the Board's proposal to wind-up DAA a decision has not yet been taken.

At this stage we ask that you treat this information as 'commercial-in-confidence' as members are yet to vote on the Board's proposal and their final vote and decision needs to be respected.

How will this affect DAA and AusDBF relationship?

DAA will negotiate and advise our valued sponsors and partners once the final vote decision has been taken.

DAA will undertake negotiations to secure the ongoing use of the DAA logo and representation at AusDBF board meetings. We will then advise members of the outcome of negotiations with AusDBF and our other partners.

What do I need to do as a Coordinator?

Coordinators will play an important role as we move through to voting.

Your role will be to:

- keep yourself, your team and your group members informed about what's happening
- meet or liaise with the members of your group, explain to them what's happening and answer their questions
- raise any further questions with the Board by emailing us at <u>pathways@dragonsabreast.org.au</u>
- attend the Q&A Zoom Session with the Board on 13 May 2021 at 7:30 pm AEST
- attend and vote at the Special General Meeting on 24 June 2021.

How can I get more information?

Prior to members casting their vote at the Special General Meeting on 24 June 2021 please refer all queries to DAA at <u>pathways@dragonsabreast.org.au</u>.

The FAQs will be updated as needed we will advise Coordinators to check the FAQs via the website.

The DAA Board will email you further background information regarding this important decision on 15 April 2021.

What will happen when we vote?

Will the decision of members at the vote be final?

Yes.

The decision is final once Members vote 'yes' or 'no' at the Special General Meeting on 24 June 2021.

Our group has a lot to organise if DAA is wound up – how much time will we have if the vote is "yes"?

To give us all enough time to prepare, winding up will take place gradually over the next 12 months. A plan will be prepared on how this will happen.

What will happen after the vote?

After members vote and if a decision of "yes" is reached, DAA will continue our plan for winding up and provide information to guide members.

After members vote and if a decision of "no" is reached, DAA will act accordingly and provide member groups handover material to take over management of the organisation within 60 days. The Board will include material such as appointment of new Directors, Governance requirements, financial and banking arrangements, legal requirements such as ACNC reporting, staff obligations, member fee increases to maintain financial solvency and other related material.

Key diary dates

15 April 2021 – Further information and details will be sent to Coordinators

13 May 2021 – Q&A Zoom Session with the Board and Coordinators 7:30 pm AEST

24 June 2021 – Special General Zoom Meeting and Vote 7:30 pm AEST.