

FAQs about the proposal to wind-up DAA

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Table of Contents

- Why is the Board proposing to wind-up DAA? 4**
 - How did the Board come to the decision to wind up?4
 - How sustainable is DAA’s financial position?4
 - How have members been consulted as part of this process?4
 - Has DAA achieved its purpose?5
 - Why is the Board proposing to wind-up now? Can’t we keep going?5
- What options did DAA investigate to continue operating? 5**
 - What options did DAA investigate?5
 - Can DAA collaborate with BCNA or another group to keep us connected or even merge?6
 - What has the Board done to attract new members?6
 - What is DAA doing to raise money?6
 - Is DAA able to apply for more grants?7
 - Can DAA not just change its organisational structure?7
 - Why does DAA need to keep paying for a Shopfront / Office?7
- If DAA winds-up what impact will this have on Groups, Coordinators & Members? 7**
 - Will our individual group be able to continue?7
 - Can we keep our team's name?7
 - What will happen to the logo on equipment and team shirts?7
 - I'm an individual member of DAA. What will happen to me?8
 - Can I still paddle at an IBCPC event?8
 - Will member groups need to do anything for the upcoming New Zealand event if DAA winds up?8

If DAA winds-up what impact will this have on overall coordination across all Groups? 8

Who will now coordinate activities across Groups?8

How will Groups have access to each other’s contact information?8

Who will help our Group with internal issues?9

What will happen to DAA website and other social media?9

Would DAA consider handing over the website to the member groups to maintain and continue to use going forward?9

What will happen with national and international regattas?9

What about new breast cancer survivor groups?9

If DAA winds-up what arrangements will Groups need to make? 10

What arrangements should our Group make?10

Will this have an impact on our Group’s financial situation?10

If my club is unviable after the wind up, what happens to the distribution of assets that would have gone to DAA? Can we pass these onto our sporting clubs?10

Has there been any thoughts on where clubs could go to make use of tax deductibility status?10

Can our group still fund raise and apply for grants?10

Can groups continue to collect a membership fee?11

Will each group need to obtain public liability insurance to continue to run “have a go days” or fundraising events?11

If DAA winds-up what will happen with any remaining funds? 11

Can’t we spend the remaining DAA funds on something for our Group?11

DAA Legacy and remaining funds11

How much is DAA proposing to leave as a legacy?11

What has DAA achieved? 11

Let’s celebrate our achievements.....11

Our membership and the future.....12

Partners, Sponsors and questions from other organisations 12

What if someone asks what’s happening with DAA?12

How will this affect DAA and AusDBF relationship?12

How will representation to AusDBF be possible if DAA technically doesn’t exist anymore?12

What do I need to do as a Coordinator? 13

How can I get more information? 13

What will happen when we vote? 13

 Will the decision of members at the vote be final?.....13

 Our group has a lot to organise if DAA is wound up – how much time will we have if the vote is “yes”?13

 What happens if there is a “yes” vote at the Special General Meeting?14

 What happens if there is a “no” vote at the Special General Meeting14

Key diary dates 15

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.

The Board's decision was based on a number of aspects, of which this consultancy process was but one. The Board has been able to gauge the members' stance towards the national body for quite some time based on surveys undertaken with limited response, fund raising activities with very little uptake or promotion, as well as individual phone calls to each of the Coordinators during mid 2020.

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.

The number of persons interviewed was limited by the funds available at the time. The Board was guided by the consultant based on her extensive experience in research and surveys, which is why the random selection of the individuals was deemed to be a fair representation of the groups.

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.

NOTE: The notion of “good fit” relates to the message of DAA being lost amongst other organisations that will not provide the level of oversight or promotion that DAA deserves. These other organisations have their own mission statements that whilst align to healthy, active lifestyle, may not provide the level of support our members are seeking.

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 operate as BAU until a decision at the Special General Meeting has been made. This means we will continue to promote DAA and raise funds where we can.

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.

Can DAA not just change its organisational structure?

DAA is an incorporated entity and is registered as a Company limited by Guarantee, which protects the members should the company ever be found to be insolvent. This structure was established in 2003, with charity status approved in 2004. Any change to the structure would have flow on affects that could be detrimental to DAA.

Why does DAA need to keep paying for a Shopfront / Office?

When DAA was first established, and it had only a few groups, the organisation was run out of a private home. This arrangement was not sustainable and DAA purchased the Darwin premises around 2008. On moving from Darwin, DAA has continued to lease an office at a very reasonable rate because the nature of DAA's operations requires suitable office accommodation for the staff and for storage.

A registered address as required by ASIC can be, and often is, at the company's accountants or lawyers, or at one of the director's home or office addresses

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 state-based 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, the individual teams are members of IBCPC. If your team is not a member of IBCPC you can join via the IBCPC website.

With regards to composite teams, they can contact any other DA Co-ordinator regarding forming a composite team with them, or we can supply all teams the contact details for the current DA Composite team managers to fill any vacant spots.

NOTE: DAM Busters included odd paddlers from Ireland, UK, NZ and one from DA Devonport to make up their team numbers for Florence! The only criteria is they must be 100% BCS teams.

Will member groups need to do anything for the upcoming New Zealand event if DAA winds up?

New Zealand has already been organised and there is nothing the member groups would need to do for this event. IBCPC are aware of the potential windup and have committed to uphold the registrations, including the DAA composite teams.

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.

Would DAA consider handing over the website to the member groups to maintain and continue to use going forward?

No. The website belongs to DAA **as a charity** and the Board has agreed that it would be misleading to the general public to keep a website as “live” when DAA is no longer.

Grant funding was used for the development of the charity website. To use this platform as a social website is not in alignment to the conditions of that grant funding, nor the message DAA wishes to leave behind.

Additionally, with the current negotiations taking place on DAA’s legacy, we are looking into other avenues to maintain useful information about the benefits of Dragon Boating to new breast cancer survivors.

As there is a lot of good content on the DAA website, the Board will look at what content can be made available to each of the member groups for their own websites or social pages in the event of winding up.

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 or coordinate the composite teams.

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
- review whether to adopt DAA policies
- agreements in place with the local paddling or other group
- agreements in place with sponsors or a grant funding body.

DAA will provide to each member group, supporting information currently available on the coordinators page (i.e. copies of policies and other useful information) prior to the website being taken down.

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.

If my club is unviable after the wind up, what happens to the distribution of assets that would have gone to DAA? Can we pass these onto our sporting clubs?

All member groups will need to refer to their constitution to know what they can and can't do with their assets.

Currently, some group's constitution states that the distribution of assets would go to DAA or a "like" charity, if no longer viable. With the wind up of DAA, all groups would need to review their constitution to remove any reference to DAA, and agree on where assets were to go in the unfortunate instance of a group winding up.

NOTE: DAA will be providing a roadmap that will outline the requirements for groups to update documentation etc.

Has there been any thoughts on where clubs could go to make use of tax deductibility status?

Some of the DAA groups have Charity Status. If you would like to explore this for your group, we would encourage you to refer to www.acnc.gov.au for further information regarding eligibility requirements and also legal obligations.

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.

Can groups continue to collect a membership fee?

This would be up to the individual groups and whether they wish to collect a club fee.

Will each group need to obtain public liability insurance to continue to run "have a go days" or fundraising events?

In the absence of DAA, groups would need to contact the state group.

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."

Additionally, the DAA Constitution states the following at Section 4.2:

"No distribution of profits to Members on winding up (a) Where property remains after the winding-up or dissolution of the Company, and satisfaction of all its debts and liabilities, it must not be distributed among the Members."

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.

How much is DAA proposing to leave as a legacy?

DAA will be able to advise the member groups on what remaining funds will be provided as part of the legacy closer to the date and all expenses have been paid.

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.

DAA anticipates providing more information on the AusDBF relationship at the next zoom meeting.

How will representation to AusDBF be possible if DAA technically doesn't exist anymore?

Depending on the negotiations with AusDBF, the organisation will use an appropriate name to recognise DAA and can still use the name. This will be national recognition.

Negotiations are well underway with AusDBF to continue with support for breast cancer survivor paddling as it now stands. AusDBF is keen for this to happen and further details will be provided once finalised, at the 10 June meeting.

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 pathways@dragonsabreast.org.au
- attend the Q&A Zoom Session with the Board on 13 May 2021 at 7:30 pm AEST
- Attend the second Q&A Zoom Session with the Board on 10 June 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 pathways@dragonsabreast.org.au.

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

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' for a special resolution at the Special General Meeting on 24 June 2021.

Note, a '**special resolution**' is defined as one that is passed by 75% (i.e. at least three quarters) of the votes cast by voting members entitled to vote (using the polling function) being in favour of the **resolution**.

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 happens if there is a “yes” vote at the Special General Meeting?

ASIC has very strict rules on the winding up of companies limited by guarantee such as DAA.

One of the requirements is that we appoint a Liquidator **IF** the vote is yes on 24 June 2021. Even though DAA is a solvent organisation we are legally bound to do so. For our groups this does not affect you and you will continue to operate as usual. The role of the Liquidator is to step in and not only file all the necessary legal documents, but complete the financial audits required and dispose of any assets.

What happens if there is a “no” vote at the Special General Meeting

The Board acting on legal advice has determined next steps if the vote to windup Dragons Abreast Australia is NO. The Board will start a handover process for member groups to elect new Directors of the organisation. Once the new Directors are elected at the Annual General Meeting on **23 September 2021** the current Board will resign.

The steps to do this are:

1. Immediately after a NO vote the Board will notify AusDBF that DAA will not be proceeding with the Charter. NBCF will also be notified that the research grant will not be funded by DAA.
2. The yearend audit of DAA records will be undertaken and expected to be completed in time for an AGM at the end of September or earlier. During this time DAA will continue to operate incurring the necessary expenses.
3. The Board will call for nominations to appoint Casual Directors under Section 10.3 of the Constitution. To be a Director of DAA the candidate must be a person who has been issued with a certificate from the Secretary within six months of the relevant date that states that:
 - (a) the Candidate has provided a declaration to the Company that he/she has read and agreed to the terms of:
 - (i) the Constitution;
 - (ii) the Code of Ethics; and
 - (iii) the Policies adopted by the Board, and is wishing to take on the duties and responsibilities of being a director of the Company;
 - (b) the Candidate has provided the Company with a curriculum vitae for the Candidate with a signed declaration that the contents are true and correct; and
 - (c) either:
 - (i) the Candidate has been a member of the Company for at least five years; or
 - (ii) the Candidate has the support of at least one half of the Directors of the Company

4. Successful candidates will be appointed Casual Directors one month prior to the AGM during which a handover process will take place.
5. At the AGM members will be asked to approve Minutes of prior Meeting, Annual Board Report, the audited Financial Statements of the company, approve appointment of the auditor and then Elect the Casual Directors.
6. Current Board members will have given their written resignation letter to the Company Secretary to resign. See Section 11.1 of DAA Constitution. The Directors will possibly also resign their membership in the organisation.
7. After the AGM has happened the new Directors will be responsible for all legal compliance and management of Dragons Abreast Australia Ltd. From the Directors elected they will also need to appoint a Chair and Secretary of the Board.

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

10 June 2021 – Q&A Zoom Session with Board and Coordinators 7:30 pm AEST

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