

Communique 3 Changes to CFWA's Constitution.

# Frequently Asked Questions

## Constitutional Changes – Protecting member's Interests

The Board of Cystic Fibrosis WA (CFWA) has unanimously recommended to its members, changes to CFWA's constitution at the forthcoming Special General Meeting to be held on the 14<sup>th</sup> October 2020.

The key objectives of these changes are to **protect member's interests** and to give the organisation options to secure long-term viability. They are designed to not only safeguard the provision of existing services but to expand services to people with CF and their families and carers in the future.

These changes have been recommended by the full Board after considering a range of options, changes to government policy and the future of CFWA in a post COVID world.

The following are frequently asked questions. Should you have additional questions, please do not hesitate to contact the CEO on [ceo@cfwa.org.au](mailto:ceo@cfwa.org.au) or tel: 08 6457 7333.

## Constitutional Changes

### 1. Why do we need to change the constitution?

The current constitution has served us well but exposes CFWA to risks in a post COVID future. The proposed changes to the constitution are designed to **protect member's interests** in this uncertain future.

The world has changed and we need to act now, not only to safeguard what we have but to continue to grow.

### 2. Why the rush? Why now?

Post COVID, Australia will be shouldering over a trillion dollars of debt. It will take generations to clear this debt. State and Federal Governments are already looking for economies of scale and scope in the provision of community services.

The Health Department of WA's (HDWA) recently released Respiratory Health Policy for the Procurement of Community Based Services, is heralding a change which will require community based service providers like CFWA, to expand services to include other disease groups or be swallowed up by those that do. The future of single disease organisations like CFWA, is very uncertain.

CFWA's contract with the HDWA is due to go to tender in **November** this year. This timing presents a unique opportunity to position CFWA as a service provider to other disease groups which will ensure its sustainability and growth in 2021 and beyond.

As a rare disease community service provider, if CFWA does not position itself to embrace this change, people with CF their families and carers, run the risk of being taken over, swallowed up by a larger community service provider and becoming a small minority without a voice, in a larger organisation.

### **3. How will the changes protect member's interests?**

Under the proposed changes, only people with CF, their families and carers, will be allowed to become members of CFWA in the future. This will ensure that irrespective of any services we provide to other related disease groups, CFWA will always be under the control of its members.

### **4. Under the proposed changes, will other disease groups be able to take control of CFWA?**

No. Only people with CF, their families and carers, will be allowed to become members of CFWA in the future. At present, anyone can become a member. The proposed changes will restrict membership.

### **5. Why can't CFWA just stay as we are?**

The environment we operate in has significantly changed, with impacts on our fund raising, the local economy and future Government funding. We need to position CFWA so that it will remain viable and resilient into the future.

The future of single disease organisations is very uncertain as future governments wrestle with over a trillion dollars of debt and over a million-people unemployed. This is placing unprecedented stress on the Australian economy and all levels of government and the nfp sector.

The proposed changes to the constitution will protect member's interests by ensuring that CFWA is always controlled by its members whilst leveraging our existing skills and developing new ones to provide services to other related diseases profitably to meet identified but unmet needs.

This will increase our capacity and increase State government's reliance on us in the future. This will futureproof CFWA.

### **6. What are the risks to the organisation of making these changes?**

The risks are minimal.

Proposed changes to the constitution have been worded specifically to mitigate the risk of loss of control by members.

The proposed incremental rolling out of services to other disease groups, allows CFWA to accommodate risk without jeopardising member's funds or the future of the organisation.

If the provision of services to other disease groups isn't fully funded, we won't be doing it.

### **7. What happens if we don't do anything or vote against the proposed changes?**

Failure to adopt the changes to the constitution runs a very real risk of:

- Loss of funding.
- Members losing control if CFWA is forced to provide services to other groups to survive who then take control of the organisation.
- People with CF become a small minority within a larger group with no voice.
- CFWA's members are absorbed by other community service providers.
- CF loses its capacity to effectively lobby for people with CF.
- Research funding is threatened or extinguished.
- The future of CFWA is thrown into doubt.

- CFWA loses its unique identity.

## 8. How will these changes make CFWA more resilient in the post COVID world?

The Board believes that the best way to safeguard the future of members with CF, is to leverage skills developed internally to service other disease groups profitably. These groups have been identified by the HDWA and represent areas of unmet demand.

Proposed changes to the constitution will **Increase Government's reliance on CFWA rather than increase CFWA's reliance on Government.** We will also build capacity by increasing our reach into regional WA which will benefit our regional families.

## 9. How will this change the organisation?

We will become bigger but never lose our primary focus on CF.

CFWA will remain an association focussed on the provision of services to people with CF. We will continue to provide funding for CF research.

As more funding becomes available, specifically for other disease groups, CFWA will grow its capacity and expertise. This will include the recruitment of additional staff and further development of our outreach and health professional training programs in collaboration with other service providers.

## Fundraising

### 10. What about fundraising? Will CFWA be raising funds for other diseases under the proposed changes? Won't this dilute money going to CF?

No. Under the Act, all monies receipted by CFWA become member's funds.

CFWA will not fundraise for other disease groups but provide a service to these groups under a government contract or user pays model which will provide a small profit margin to CFWA.

Profits from the provision of these services will be used to expand services to people with CF and in the longer term, expand funding to research. In the short term however, the profit will be small. The primary reason for the changes is to protect member's interests and position CFWA for future growth.

Provision of services for a fee will build capacity and ensure sustainability in an uncertain future. It will increase government's reliance on CFWA rather than the other way around.

### 11. Have the proposed changes been financially modelled?

Yes. Initial modelling predicts a turn-over increase 10-20% in the short term, with a net profit margin of 5%. This equates to just \$10-\$20k in the short term.

The profit from these activities is **not** the primary reason for the changes. The primary reason is strategic; positioning CFWA for sustainability and growth in an uncertain future and protecting member's interests.

### 12. What about my bequest (gift in will)? How can I be sure that it is not directed to other disease groups?

CFWA won't seek or accept, tied donations to fund research or provide services into unrelated diseases. We acknowledge however, that some research will

inevitably cross disease boundaries such as research into bronchiectasis and transplant. We will continue to support that.

If you have a particular area that you would like your gift in will or bequest to be applied to, please talk with the CEO who can set up an agreement for you to safeguard your wishes.

### **13. I have CF. How will this be better for me?**

Changing the constitution will give CFWA options to increase and diversify its revenue streams without members giving up control. This will ensure the continuation and expansion of services to you such as activity subsidies, education support and psychosocial support.

Not all options would be exercised at once but developed over the next 3-5years.

In the short-term, you are unlikely to see any changes. Our aim however is to maintain and grow service to members and not fall below current levels.

There is no guarantee that we could sustain current service levels without these changes to the constitution.

## **Services**

### **14. Will I receive less services?**

No. Under the proposed changes to the constitution, you will continue to receive the same if not greater levels of service in the future.

## **Membership**

### **15. What will happen to membership?**

Under the existing constitution anyone can become a member of CFWA.

The proposed changes restrict membership to people with CF to people ordinarily resident in WA who:

- have CF;
- are related to, care for or are married to or in a de facto relationship with someone with CF;
- have a current or past professional or occupational interest in the health and welfare of people with CF; or
- who have a special skill, talent or network which can assist people with CF.

The purpose of the amendment is to safeguard the interests of people with CF in an environment where CFWA potentially provides services for a fee or under a contract with government or another funding body, to people with other lung and respiratory conditions.

Only Members of CFWA are entitled to vote at the AGM and Special Meetings of CFWA and oversee CFWA's operations through participating on its Board of Governance.

People with other conditions to whom CFWA may, in the future, provide services for a fee or under a contract with government or another funding body, will not be Members and will not be able to 'take over' CFWA

## **16. How will my membership change?**

Under the proposed changes, the categories of memberships have been reduced from five to three by abolishing the Family Member and Corporate Member categories.

Existing family members will be migrated to ordinary members and if under the age of 18 years, to junior member.

Existing corporate members will be migrated to ordinary members but no new corporate members will be accepted.

Existing members who would not meet the new Membership eligibility criteria will continue as Members of CFWA under a grandfathering clause.

## **17. Will people with CF somehow be disadvantaged if we agree to this?**

No. The changes are designed to protect member's interests and are necessary to position CFWA for members' advantage in a post COVID world.

A full explanation of the need and rationale of the changes will be given at the SGM. If you have any queries prior to the SGM please feel free to call the CEO on 08 6457 7333 Please also see the Explanation of Proposed Changes to the Constitution on CFWA's website at <https://www.cfw.org.au/wp-content/uploads/2020/09/Explanation-of-Proposed-Changes-to-the-Constitution.pdf>

Please RSVP for the SGM by 5pm 12<sup>th</sup> October, 2020.