

EXPLANATORY MEMORANDUM

Proposed Amendments to the Constitution of Football Federation Australia Limited

1. PURPOSE

This Explanatory Memorandum summarises proposed amendments to the FFA Constitution.

The proposed amendments fall into two categories:

1. Amendments that arise as a result of certain requirements of Federation International de Football Association (FIFA) (**Category 1**); and
2. Other amendments (**Category 2**).

You should read this summary in conjunction with the proposed Category 1 and Category 2 amendments set out in the Notice of General Meeting and satisfy yourself that you understand them.

2. FFA DIRECTORS RESOLUTIONS

The Board of Football Federation Australia Limited (**FFA**), in response to FIFA's request that the composition of the FFA Congress be reviewed and following consultation with stakeholders, has resolved to recommend to the Members a Congress model of "9:4:1:1:1". This model in the opinion of the directors supports the achievement of the objects of FFA and the FFA Board recommends that the Category 1 amendments contained in the attached draft amended Constitution should be adopted.

Further the FFA Board has resolved to recommend to the Members that the Category 2 amendments contained in the resolutions in the Notice of Meeting should also be adopted as being appropriate governance amendments given the state of maturity of the game of football in Australia.

3. CATEGORY 1 AMENDMENTS

3.1 Background

FFA, as a member association of FIFA, is required to comply with the FIFA Statutes. Failure to comply with FIFA requirements can lead to the imposition of sanctions which in the extreme case could entail exclusion from competitions or potential suspension or expulsion from FIFA.

In 2015 a review of FFA's Constitution for compliance with FIFA requirements was conducted. This review led to a resolution of the Members of FFA in November 2015 to amend the FFA Constitution in certain respects. One aspect of the review was approved by FIFA to be conducted in a subsequent exercise, namely a review of the composition of FFA's membership – or "Congress" adopting the language used by FIFA. This proposal to conduct this one remaining aspect of the review in a subsequent exercise was advised to the Members at that time and was reflected in the 2015 changes to the Constitution which provided for it to be conducted by the 2017 annual general meeting.

In this context, Article 15(j) of the FIFA Statutes which came into effect in April 2016, provides that the statutes of Member Associations must contain provisions relating to the following:

“Legislative bodies must be constituted in accordance with the principles of representative democracy and taking into account the importance of gender equality in football”.

This provision has informed the consideration of and development of a revised Congress composition which is reflected in the proposed amendments which are set out in the attached Constitution.

3.2 Summary of Category 1 Amendments

The amendments give effect to a “9:4:1:1:1” Congress model that amends the current “9:1” composition of nine (9) Member Federations (“State Body Members”) and one (1) A-League representative.

This responds to the FIFA Member Association Committee letter of 5 July 2017 seeking development of an alternate model delivering appropriate representation of all stakeholders and taking into account the importance of gender equality. It involves a reduction in the proportionate weight of the nine (9) Member Federations’ own respective votes as a consequence, through both the introduction of new categories of members and the increase in the A-League club representation. The “9:4:1:1:1” model also includes the removal of the Prescribed Majority (60%) threshold for the election of directors at a general meeting such that only a simple majority is now required.

The “9:4:1:1:1” model as provided for in the attached draft Constitution involves the following:

- Each of the nine (9) Member Federations will continue to hold one (1) vote each and be represented by its president/chairman or if unable, its deputy president/chairman or a director.
- Each of the Australian-domiciled A-League clubs (currently nine) will become a member in its own right and as such able to attend general meetings through its representative. Each club would hold and be able to exercise an individual equal proportionate share of the A-League clubs’ collective four (4) votes. Whilst retaining the “9:4:1:1:1” balance, this will provide for a larger Congress in terms of the number of Members at general meetings, and in particular enable each A-League club to attend and participate in general meetings of the Congress. For example, if the PFA does choose to become a member and all members send a representative, there would be 21 members in attendance.¹ A larger Congress has been a key objective informing the development of the revised Congress model, having regard to the size of FFA’s current Congress in comparison with other member associations of FIFA.
- The PFA, if it chooses to join, would be admitted as a corporate member represented by a representative, holding one (1) vote.²
- The Women’s Community Football Member, who is to be nominated by a majority of the Member Federations, holding one (1) vote. The Women’s Community Football Member must not be an employee or director of a State Body Member.

¹ Standard provisions enabling attendance via proxy will continue to apply.

² It is acknowledged that the PFA has indicated it may not accept an invitation to join. If this were the case the member ratio would be 9:4:1:1 and each other member’s proportionate share of the total voting entitlements would increase – to 1 out of 15 in the case of the State Body Members, the Women’s Community Football Member and the Women’s Professional Football Member and 1/9th of 4 out of 15 in the case of each Australian A-League club.

- The Women's Professional Football Member, who is to be nominated jointly by the PFA and a majority of the W-League Licensees, holding one (1) vote.

The following table identifies the key provisions giving effect to the "9:4:1:1:1" model. There are also consequential amendments that are shown in mark-up in the attachment.

Article number(s)	Subject nature/effect of article
6.1	General provision reflecting the proposed increase in A-League representation and inclusion of a Member representing elite players (the PFA), a member representing community women's football and a member representing professional women's football.
6.3	Specific provision dealing with the directors' requirement to invite all Australian-domiciled A-League Clubs to become Members of FFA.
6.4	Specific provision dealing with the recognition by the directors of the body that represents elite Australian players and the requirement to invite that body to become a Member of FFA. For these purposes the directors confirm that they recognise the Professional Footballers Association (PFA) as this representative body.
6.5	Specific provision dealing with the directors' requirement to invite the person identified as the Women's Community Football Member to become a Member of FFA.
6.6	Specific provision dealing with the directors' requirement to invite the person identified as the Women's Professional Football Member to become a Member of FFA.
6.8	Outlines result of expansion – up to 21 Members with prospect of more in the event of expansion of the A-League.
6.16	Provision dealing with process for suspension and termination of the Australian Players' Body Member. This replicates the process applicable to Member Federations.
10.1	Provision specifying the voting entitlements of Members, under which the Australian domiciled A-League Members each receive an equal proportionate share of the A-League collective four (4) votes and each other Member receives one (1) vote.
15.11	Removal of Prescribed Majority (60%) threshold for the election of directors at general meeting. New provision to confirm that elections for Directors will not be conducted at the 2017 annual general meeting but a general meeting will be called within two (2) weeks of the deadline to nominate new directors set out in 15.13(c) – i.e. 19 January 2018.
15.13(c)	Provide for the time for delivery of nominations for candidates for election as a director to be no later than 19 January 2018 in respect of the general meeting to be called within two (2) weeks of that date.
15.17(a)	New provision confirming that the Directors will not fill the vacancies left by the Elected Directors who retire at the 2017 annual general meeting as these positions will be filled by the Members in general meeting.
43.1	New definitions of A-League Licensee, W-League Licensee and the criteria that qualify a body as the representative body of elite Australian players. Removal of definition of Prescribed Majority.

4. CATEGORY 2 AMENDMENTS

The following table summarises the Category 2 amendments to the FFA Constitution.

Article number(s)	Subject nature/effect of article
15.13(a) & (b)	Amendment to remove the ability for Directors to propose or second a nomination for election as a Director.
15.15	Reduce restriction on candidates for election as an FFA director holding certain positions from 2 years to 12 months prior to nomination.
15.16(d)	New provision to provide that Appointed Directors may only serve a maximum of 10 years consecutively.
15.16(e)	New provision that mirrors similar provision applying to Elected Directors. Provides that there must be a period of two years after an Appointed Director has served a 10 year period before they can be re-appointed.
18.1(h)	New provision requiring Directors to ensure that a representative of each of the Member Federations, A-League Members, the PFA and the Australian Sports Commission is invited to become a member of the Nominations Committee.
18.2	Amendment to clause 18.2 to specify that <ul style="list-style-type: none"> <li data-bbox="552 1137 1374 1317">• the National Advisory Committee is to provide members with the ability to review and monitor the Company, including the Company's financial position (and external auditors' report), the Company's risk register and risk management systems and the processes and procedures relating to the Company's compliance with the FIFA and AFC statutes. <li data-bbox="552 1352 1374 1473">• the membership of the National Advisory Committee is to include a representative of the Member Federations, A-League Members, PFA as well as the Women's Community Football Member and Women's Professional Football Member.

8 November 2017