

PSPL REFORM GROUP Inc.

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The PSPL Reform Group Inc. is unaware of the total number of submissions made by Probus Clubs to PSPL over PSPL's proposed new constitution, but it has been provided with over 100 such submissions.

These were overwhelmingly critical of the proposed changes and the failure to correct past shortcomings.

Clubs have put a great deal of thought into their submissions, many making the point that their aim is to remedy the current shortcomings of PSPL.

They seek to renew the trust that they perceive has been frittered away by PSPL.

A consistent issue raised in almost all of these is the undemocratic, complex, secretive selection process used by the small number of existing PSPL members to choose their Board and the lack of accountability of these Directors to our Clubs.

From the replies now being received by Clubs, it is apparent PSPL is planning to retain their appointment method. This is an unacceptable outcome.

Clubs may wish to go back again to PSPL and press them on this core issue.

The spurious justifications offered by PSPL are:

We have always done it this way.

- The original system was put in place without consultation with our Clubs. It was flawed then and it remains flawed.

It seems to work well. (For whom?)

- Far from working well, PSPL has embarked on a number of misadventures in recent times.
- This includes the strong advocacy of making Clubs charities for the isolated and lonely; the aggressive, costly legal battle in New Zealand to 'protect the Probus name' against NZ Clubs who were Probus Clubs before PSPL existed; the plethora of unwanted so called benefits; and the running down of substantial reserves.

The Board is responsible in law to the Company i.e. to the members/shareholders/owners

- That is precisely the point: our Clubs are not members of PSPL; that simply leaves PSPL Directors being responsible only to the limited number of PSPL members. There is no provision to remove a director.
- As most of the members of PSPL are directors, the Board in reality is not accountable to anyone other than themselves.

There are many 'closely held' companies like PSPL which select their board.

- No evidence is provided of this claim. In any case PSPL should not be a tightly held entity. The large membership nature of our Club network is surely much more akin to an auto club than to some closely held obscure enterprise, and surely then requires an open voting procedure (but without necessarily adopting a mutual structure).

We feel this is a highly unsatisfactory position for PSPL to take. One that will foment an ongoing lack of confidence by Clubs in PSPL, and it will weaken the Probus brand and diminish efforts to build up membership in what is otherwise a very worthy enterprise.

Already we have witnessed one Australian breakaway and there are significant 'whispers' of more to come. PSPL can stop this by adopting a proper good governance democratic structure that gives Club membership with full voting rights.

If membership of PSPL is to have any value at all, the ability to select the Board, be heard at Board meetings and hold Board members accountable to our Clubs is surely paramount.

On behalf of the Committee

David Anderson
President