

Template Rules for Incorporated Associations

Associations Incorporation Act 1985 (SA)

Disclaimer

This template is for general information purposes only and is intended to guide incorporated associations in preparing or amending their rules.

Example contents can be adapted to suit the individual needs and circumstances of incorporated associations.

Several tailored options that are included may not suit your associations circumstances. If you are unsure whether this template constitution is appropriate for your association, you should seek independent legal advice.

Who is this template for?

The governing document of an incorporated association is called its **Rules** (sometimes called a constitution).

The [Associations Incorporation Act 1985](#) (SA) (**the Act**) lists what must be included in the Rules (see **section 23A** of the Act). The Rules must be lawful and **must not conflict with the Act**. The Rules are **binding on the association and its members**.

By-laws (for example, those about dress, behaviour, or religious practices) do not need to be lodged with Consumer and Business Services (**CBS**), but they are still binding on the association and its members.

Provided the Rules meet the requirements of the Act, associations have the flexibility to decide how their Rules are written and structured.

Once agreed upon by members, the Rules must be **lodged with CBS** for registration and a copy kept by the Association. Any future changes to the Rules must also be approved by members in accordance with the Rules and lodged with CBS within one month (fees apply).

The following pages provide **guidance only**. Associations should seek independent legal advice if the example Rules do not suit their circumstances. CBS does not provide legal advice.

Using this template constitution

Use template contents from page 3, noting the following:

Items in blue boxes are for you to consider and make decisions about. Some boxes include important information about the Act. Information in the blue boxes is not needed in your completed Rules.

Items in yellow boxes provide general guidance and aim to answer common questions. Please read these carefully. Once considered, they are not needed in completed Rules.

Rules of

**[Insert name of incorporation
association]**

- (b) That has been passed by at least 75% of the votes cast by members present and entitled to vote at the meeting.

Sub-Committee means a sub-Committee appointed under these Rules

the Act means the *Associations Incorporation Act 1985*

the Regulations means the *Associations Incorporation Regulations 2023*

Rules means:

- (a) these rules.
- (b) any alteration to them.
- (c) the rights, powers, privileges and obligations attaching from time to time to each category of membership of the Association.
- (d) any by-laws, regulations or other instruments passed by the Association in General meeting or by the Committee; and
- (e) any resolution passed by the Association in General meeting or by the Committee.

Technology means any technology or combination of technologies that allows members to participate in a meeting, including by asking questions verbally and in writing, without being physically present at the meeting

3 Objects or purpose of the Association

In the space below, insert the purpose your Association has been created for and how its activities will practically achieve this purpose.

To be eligible for incorporation, an Association's objects must be formed for a reason outlined within section 18(1) of the Act.

An incorporated association must apply its income and assets towards achieving its objects and must not operate for the profit or gain of its members.

Please see an example of objects for a sporting club below:

- (a) Increase participation and enjoyment in [sport/activity] within [region/community];
- (b) Support the development and participation of members [e.g. junior pathways, skills, engagement];
- (c) Promote health, wellbeing and social connection through [sport/activity/programs];
- (d) Advocate for, represent and support members in matters relating to [sport/activity/purpose];
- (e) Plan and deliver programs, workshops, events and activities that support these objects; and
- (f) Work with other organisations where this supports the Association's objects.

The objects of the Association are:

- (a) _____
- (b) _____
- (c) _____
- (d) _____
- (e) _____
- (f) _____

4 Powers of the Association

To carry out the objects of the Association, the Association has the powers set out in section 25 of the Act.

An incorporated association cannot have the powers of a company or a natural person.

Please choose one of the highlighted options below and delete the other option.

The Association shall have all the powers conferred by section 25 of the Act to further its objects.

Or

The Association shall have all the powers conferred by section 25 of the Act to further its objects:

- (a) Acquire, hold, deal with, and dispose of, any real or personal property; and
- (b) Administer any property on trust; and
- (c) Open and operate ADI accounts; and
- (d) Invest its moneys-
 - i. In any security in which trust moneys may, by Act of Parliament, be invested;
 - or
 - ii. In any other manner authorised by the rules of the association; and
- (e) Borrow money upon such terms and conditions as the association thinks fit; and
- (f) Give such security for the discharge of liabilities incurred by the association as the association thinks fit; and
- (g) Appoint agents to transact any business of the association on its behalf; and
- (h) Enter into any other contract it considers necessary or desirable.

5 Membership of the Association

This template assumes that:

- The Association has members; and
- The Association has various membership categories.

If that is not the case, adapt this template to suit your Associations circumstances. You may wish to seek independent legal advice to do this.

The Rules should clearly state which membership categories exist and what their voting rights are. You may choose to include one or more of the membership types in the example below.

5.1 Types of membership and rights

- (a) The Association has the following categories of membership and corresponding voting rights:
- Ordinary Member** – may attend and vote at general meetings.
 - Associate Member** – may attend but not vote at general meetings
 - Student/Junior Member**– may attend but not vote at general meetings.
 - Life/Honorary Member**– may attend and vote / attend only at general meetings.
 - insert any additional category – state whether they may vote or attend only.**
- (b) The Committee may, from time to time, add, remove or alter a category of membership.
- (c) The Committee may determine what rights, powers, privileges and obligations attach to each category of membership, provided this is consistent with the Act and these Rules.

5.2 How to become a member

- (a) Any person aged 18 years or older, or any incorporated body which, supports the purposes of the Association can apply in writing and pay any joining fee to become a member of the Association.
- (b) The Committee must consider each application for membership within **[three weeks]** after it is received and decide whether to accept or refuse the application.
- (c) The Committee must provide notice to the applicant about the decision to accept or refuse the application but are not required to provide reasons.
- (d) If the application is accepted, the Committee must add the applicant to the register of members. The date the applicant was added to the register of members is the day they became a member.
- (e) Following acceptance of membership, the new member must be provided with a copy of the Rules in force at the time their membership commenced.

5.3 Register of members

A register of members must be kept and contain:

- the name and address of each member
- the email address of each member

- (c) the phone number of each member
- (d) the date on which each member was admitted to, or resigned from the association
- (e) the date of and reason(s) for termination.

If your Association chooses to charge membership fees, it should consider and clearly state:

- when and how fees are approved (for example, by resolution at an Annual General Meeting);
- how and when members will be notified of the fee amount;
- when fees are due each year; and
- what happens if a member does not pay.
- how membership is renewed. Consider whether renewal is automatic on payment of the fee, or whether membership is reviewed/reconsidered at each fee cycle (and, if so, the criteria and process for review).

The example rule below states that a membership will end if the fee is not paid within the specified timeframe. Associations may adjust these timeframes to suit their individual circumstances.

These matters may be included in the rules or managed through a **by-law or policy**, provided they are consistent with the rules and the Act.

5.4 Membership fees

- (a) The Association may set or change a joining fee, an annual membership fee, or both, by resolution of members at an Annual General Meeting.
 - (b) Members must be given at least one month's notice of any new fees or changes to fees approved at an Annual General Meeting.
 - (c) If a member fails to pay the required fees within two months after they become due, the Association must notify the member and give them one month to pay the outstanding amount. If the member does not pay within that time, their membership will end.
 - (d) A member who has not paid the required membership fees is not entitled to exercise any rights of membership, including voting at meetings.
 - (e) Renewal of membership fees (choose option a or b)
 - a. Membership renews automatically for the next fee period when the required membership fee is paid by the due date (or within any grace period permitted under this rule).
- Or**
- b. Payment of the required membership fee does not of itself renew membership. At each renewal cycle, the Committee may approve or refuse renewal in accordance with these rules

5.5 How to stop being a member

A person ceases to be a member if the person:

- (a) dies;
- (b) resigns membership under rule 5.6;
- (c) is expelled from the Association under Rule 5.7;
- (d) has their membership terminated under Rule 5.9
- (e) in the case of an Associate Member that is a Body Corporate, is wound up; or does not renew their membership or an application for renewal is rejected by the Committee.

5.6 Resignation

- (a) A Member may resign from membership of the Association by giving to the Secretary or Public Officer written notice.
 - i. A member must return any physical property or intellectual property to the Association within two weeks of their resignation.
- (b) A Committee member may resign from the Committee of the Association by giving to the Committee written notice.
 - i. A Committee member must return any physical property or intellectual property (including passwords) to the Association within two weeks of their resignation.
- (c) The Committee must update the register of members with the date on which the membership was ceased.
- (d) Any resigning Member remains liable for any outstanding subscriptions. Such outstanding subscriptions may be recovered by the Association from the Member as a debt due to the Association.
- (e) A resigning Member may be entitled to a refund of any subscription fees paid to the Association.

5.7 Disciplining members

- (a) Any person (including a committee member) may complain to the Committee that a member (or their representative) has not complied with these rules.
- (b) The Committee must:
 - i. give the member written notice of the complaint.
 - ii. give the member at least 14 days to provide a written response; and
 - iii. consider the response before making a decision.
- (c) After considering the complaint and any response, the Committee may resolve to:
 - i. expel the member; or
 - ii. suspend the member for a period of time; or
 - iii. impose reasonable conditions on the member's continued membership.
- (d) Within 7 days of the decision being made, the Committee must give the member written notice of:
 - i. the decision; and
 - ii. the reasons; and
 - iii. the right to appeal under Rule 5.8.
- (e) The decision does not take effect until the appeal period ends, or (if an appeal is made) until the appeal is determined. If a member is suspended, they cannot attend or vote at meetings during the suspension.
- (f) Nothing in this rule prevents a member or former member from applying to the Supreme Court or the Magistrates Court under section 61 of the Act if they believe the Association is acting in an oppressive or unreasonable way.

5.8 Right of appeal of disciplined member

- (a) A member may appeal a decision made by the Committee under Rule 5.7.
- (b) To appeal, the member must, within 14 days of being notified of the decision, give the Committee written notice of the appeal including the reasons for the appeal.
- (c) After receiving a notice of appeal, the Committee must call a General Meeting to be held within 28 days.
- (d) At the General Meeting:
 - i. only the appeal may be discussed;
 - ii. the Committee and the member must be given a reasonable opportunity to explain their positions, either verbally, in writing, or both; and
 - iii. the members present must vote on whether to confirm, change, or cancel the Committee's decision.
- (e) The outcome of the appeal is decided by a majority vote of members present at the General Meeting.
- (f) If the decision is confirmed or changed, the member's expulsion, suspension, or conditions apply as decided.
- (g) If the decision is cancelled, the complaint is taken to be dismissed.

When writing membership rules, be careful not to create arrangements that could be oppressive or unreasonable under section 61 of the Act.

Rules may be oppressive or unreasonable if, for example they:

- give too much control to an individual or a small group of members (for example, veto rights);
- allow members to be suspended or expelled without a fair process; or
- treat members unfairly without a clear reason.

To reduce risk, keep membership rules clear and fair, and include:

- clear voting rights for each membership type; and
- basic fairness steps (notice, time to respond, and an appeal process for disciplinary action).

If an association wants a complex membership structure, it should consider getting independent legal advice.

5.9 Dispute resolution

- (a) This rule applies to disputes between:
 - i. a member and another member (as members); or
 - ii. a member and the Association.
- (b) If a dispute arises, the parties must meet and try to resolve the matter within 14 days after the dispute becomes known to all parties.
- (c) If the dispute is not resolved, the parties may agree to meet again with the help of an independent third person.
- (d) If the Committee is required to make a decision about a dispute, it must act fairly and follow the principles of natural justice.

- (e) Nothing in this rule prevents a member or former member from applying to the Supreme Court or the Magistrates Court under section 61 of the Act if they believe the Association is acting in an oppressive or unreasonable way.

Natural justice

Under section 40 of the Act, where the Committee makes a decision in relation to a dispute between its members, or a dispute between itself and members, the rules of natural justice must be followed.

Factors that are considered to follow the rules of natural justice include:

- (a) A member being told what the issue or allegation is (including any evidence against them); and
- (b) A member being given reasonable notice and a chance to respond to the allegations against them; and
- (c) Having a fair and unbiased hearing where a decision is made. There may be an option to appeal.

6 The Committee

This template assumes that:

- The Association refers to the individuals managing the Association as the Committee. It is not uncommon for an Association to refer to a Board rather than a Committee.

If that is not the case, adapt this template to suit your Associations circumstances. You may wish to seek independent legal advice to do this.

6.1 Powers and duties

Subject to the Act, these Rules and to any resolution passed by the Association in General Meeting, the Committee:

- (a) has the management and control of the funds and other property of the Association.
- (b) may exercise all such powers and functions as may be exercised by the Association, other than those powers or functions that are required by these Rules to be exercised by a General Meeting
- (c) has power to perform all such acts and do all such things as appear to the Committee to be necessary or desirable for the proper management of the affairs of the Association having regard to the objects of the Association, including making by-laws, regulations or other instruments to further the objects of the Association.

- (d) may establish sub-committees consisting of members of the Association, to exercise specified powers or functions of the Committee (other than any function which is imposed on the Committee under the Act, or this power of delegation) to further the Association's objects.
- (e) has authority to interpret the meaning of these Rules and any other matter relating to the affairs of the Association on which these Rules, the Act and the Regulations are silent.

6.2 Committee composition

This template assumes that:

- The Association has mandatory office bearers e.g. President, Secretary, Treasurer

If that is not the case, adapt this template to suit your Associations circumstances. You may wish to seek independent legal advice to do this.

- (a) The Committee consists of between **[insert total minimum]** and **[insert total maximum]**.
- (b) In the event of the Committee falling below the minimum number of members, the Committee may only act for the purposes of increasing their number in accordance with Rule 6.2(a).
- (c) A Committee member must be a member of the Association who is a natural person and is eligible to vote at general meetings.
- (d) A Committee member cannot be a **[insert membership class here]** member
- (e) The office bearers are:
 - i. President.
 - ii. Secretary.
 - iii. Treasurer and,
 - iv. **[insert other roles]**
- (f) A Committee member may hold up to **[insert number, e.g. two]** office-bearer positions.

When considering committee composition, decide how many people will be on your committee. Consider the correct number of people that would effectively govern your Association, be mindful of having too many or too few committee members.

An Association must have a Committee to manage its affairs, that generally includes office-bearers such as President, Treasurer, Secretary or anyone else you may choose.

You can decide to have:

- a fixed number of Committee members; or
- a range (minimum and maximum) to allow flexibility as the Association grows or changes.

We recommend setting a reasonable maximum so the Committee can work effectively.

If your Association's membership, activities or workload changes over time, you may wish to amend the rules later to change the number of Committee members or positions. Below is just an example of how you may wish to compose your committee.

6.3 Committee elections

- (a) Committee members are elected at each Annual General Meeting (**AGM**) and hold office until the end of the next AGM. A Committee member may nominate for re-election.
- (b) Nominations must be made in writing and given to the Committee at least **[insert number, e.g. 21]** days before the AGM.
- (c) A nominee must be a member who is entitled to vote at a general meeting and is eligible to hold office under these Rules.
- (d) If the number of nominations is equal to or less than the number of vacancies, the nominees are taken to be elected. If there any insufficient nominations received to fill all vacancies on the Committee, nominations for remaining positions may be taken from the floor at the AGM. Any unfilled positions become casual vacancies.
- (e) If there are more nominations than vacancies, the election is decided by a secret ballot at the AGM. A member who has nominated for the position may vote for themselves.
- (f) The current Committee continues until the next AGM after these rules are adopted and may nominate for re-election.
- (g) The Committee shall have the power to fill, for the remainder of the term any casual vacancy occurring among the Committee during their term. A casual vacancy arises if a committee member
 - i. dies; or
 - ii. is permanently incapacitated by ill health; or
 - iii. resigns as a member of the Association; or
 - iv. resigns as a committee member; or
 - v. is expelled or suspended under these Rules; or
 - vi. is absent without apology for more than four committee meetings in a financial year; or
 - vii. becomes insolvent under administration; or
 - viii. is convicted of an offence involving fraud or dishonesty punishable on conviction by imprisonment for a period of not less than three months.

6.4 Public Officer and officers

- (a) The Committee must appoint a Public Officer as required by the Act. The Public Officer must be a resident of South Australia and must be at least 18 years of age.
 - i. Where a new Public Officer is appointed or the address of the Public Officer changes, CBS must be notified within one month.
 - ii. It is an offence under the Act for the Association to be without a public officer for a period longer than one month.

You may wish to outline the specific roles and responsibilities of your office bearers. You may also wish to outline this in separate by-laws. An example below.

- (b) The Secretary must:
 - i. keep minutes including:
 - a. all appointments of Committee members.
 - b. the names of those in attendance at Committee Meetings and General Meetings.
 - c. all proceedings at Committee meetings and General Meetings.

- ii. manage all the Association's correspondence.
 - iii. prepare the notices required for meetings and for the business to be conducted at meetings.
 - iv. maintain the register of members.
- (c) The minutes kept by the Secretary must be:
- i. kept in written or electronic form.
 - ii. signed by the member who chaired the meeting or by the member chairing the next succeeding meeting.
- (d) The Treasurer must ensure that:
- i. all money due to the Association is collected and received and that all payment authorised by the Association are made.
 - ii. correct books and accounts are kept showing the complete and accurate financial affairs of the Association.
 - iii. the full details of all receipts and expenditure connected with the activities of the Association are kept.

6.5 Removal of Committee members and sub-committee members

Any decision to remove a Committee member must be made fairly and in accordance with the rules of natural justice in accordance with section 40 of the Act.

A Committee member or sub-committee member may be removed if they fail to comply with these rules, the Act, or their duties.

Any form of discipline must be made in accordance with Rule 5.7 and is subject to appeal in accordance with Rule 5.7 committee member is removed. Any vacancy on the Committee that occurs as a result of this is a casual vacancy.

6.6 Committee meetings and quorum

- (a) The Committee must meet at least **[insert number, e.g. 4 or 8]** times in each 12-month period, at a time and place decided by the Committee.
- (b) **At least one Committee meeting must be held before the Annual General Meeting (AGM).**
This meeting must be held in person [optional].
- (c) At the request of at least half of the Committee, an additional Committee meeting must be called.
- (d) The Secretary (or the person calling the meeting) must give Committee members at **least [insert number, e.g. 7]** days' written notice of a meeting, unless the Committee agrees otherwise.
- (e) The notice must include the general business to be discussed. Only that business may be dealt with, unless all Committee members present agree to deal with urgent business.
- (f) A quorum for a committee meeting is **[insert percentage]** of Committee members.
- (g) No business may be conducted unless a quorum is present. If a quorum is not present within 30 minutes, the meeting is adjourned to the same time and place in the following week. If there is still no quorum, the meeting lapses.
- (h) Committee meetings may be held using technology provided all Committee members have a reasonable opportunity to participate.
- (i) The President presides at Committee meetings. If the President is absent, the members present may choose another Committee member to chair the meeting.

6.7 Voting at Committee Meetings

- (a) Decisions at Committee meetings or sub-committee meetings are made by a majority vote of those present.
- (b) Each Committee or sub-committee member present has one vote. If the votes are equal, the President has a casting vote in addition to their deliberative vote.
- (c) Voting may take place using technology, where permitted by these Rules.
- (d) The Committee may invite other people to attend or speak at a meeting, but they are not entitled to vote.

6.8 Proxy voting

An Association can choose whether to allow proxy voting at Committee meetings. There is no requirement under the Act to include proxy voting.

If you allow proxies, the rules should clearly state who can act as a proxy, how a proxy is appointed, and what the proxy can vote on. If proxies are not allowed, the rules should state this clearly.

- (a) A member of the Committee who is entitled to vote at a Committee Meeting may appoint another Committee member as their proxy.
- (b) The proxy appointment must be in writing, in the form approved by the Committee (if any), and received by the Secretary prior to the meeting.
- (c) A proxy may be appointed for a specific meeting or for more than one meeting.
- (d) A proxy may vote and participate at the meeting in the way set out in the proxy form.
- (e) If a member does not give voting instructions, the proxy may vote as they think fit.
- (f) A proxy vote is valid unless the Association is notified of its cancellation before the meeting.

6.9 Transaction of business outside meetings or by telephone or other means

- (a) The Committee may transact its business by the circulation of papers, including by electronic means, among all committee members.
- (b) If the Committee transacts business by the circulation of papers, a written resolution, approved in writing by a majority of committee members, is taken to be a decision of the Committee made at a meeting of the Committee. This must be recorded within minutes.

6.10 Sub-committees

- (a) The Committee may appoint one or more sub-committees in writing. The membership, powers and limits of any sub-committee is determined by the Committee.
- (b) Subject to any directions given by the Committee, a sub-committee may meet and conduct business as it considers appropriate.
- (c) A sub-committee must act within its authority and cannot bind the Association unless authorised by the Committee.
- (d) The Committee remains responsible for all delegated matters and may revoke a delegation at any time.

- (e) The sub-committee must make regular reports to the Committee outlining their proceedings.
- (f) The Committee may , in writing, amend the membership, powers or limits of any sub-committee or dissolve any sub-committee at any time.

6.11 Disclosure of financial interests

Disclosing a financial interest – Why is it important?

Under section 31 of the Act, Committee members must declare any financial (pecuniary) interest they have in a contract or proposed contract with the Association. Including a rule that outlined these obligations assists Associations in remaining compliant with the Act.

Including a rule outlining these requirements, enables an Association to:

- make decisions fairly and transparently.
- avoid misunderstandings or disputes.
- protect both the Association and Committee members from breaching the Act.

- (a) If a Committee member has a financial **[or personal]** interest in a matter being discussed, they must declare that interest as soon as possible.
- (b) The Secretary must record the disclosure in the meeting minutes.
- (c) After declaring an interest, the Committee member must not take part in discussion or voting on the matter,
- (d) The Committee member with the interest must not be present or vote when the Committee decides whether they may take part.
- (e) A failure to disclose an interest does not automatically invalidate a Committee decision.

7 General Meetings

7.1 Annual General Meeting (AGM)

- (a) The Committee must call an AGM in accordance with the Act and these rules.
- (b) The first AGM must be held within 18 months after the Association is incorporated.
- (c) After the first AGM, the Association must hold an AGM each year within 5 months after the end of the Association's financial year. If the Association is a prescribed association and is also registered with the Australian Charities and Not-for-profits Commission (ACNC), the Association must hold an AGM each year within 6 months after the end of the Association's financial year. The Committee must give members at least **[insert number, e.g. 21]** days' written notice of the AGM. The notice must state the date, time, place (or technology to be used), and the general business of the meeting.
- (d) The AGM must deal with the following business, in this order unless the meeting decides otherwise:
 - i. confirmation of the minutes of the previous AGM and of any special general meetings held since that AGM;
 - ii. election of Committee members;
 - iii. appointment of an auditor (if required under these rules or the Act)

- iv. presentation and consideration of the Association's financial statements and the Committee's and auditor's reports (if applicable); and
- v. any other business that may properly be considered at a general meeting.

(e) The AGM may be held using technology, where permitted by these rules, provided all members have a reasonable opportunity to participate.

The rules for holding an AGM depend on whether an Association is a prescribed association under the Act.

A Prescribed Association must hold an AGM in accordance with section 39 of the Act:

- within 6 months after the end of the financial year if they are a *relevant prescribed association* (A Prescribed Association that is also registered with the Australian Charities and Not-for-profits Commission); or
- within 5 months after the end of the financial year in other cases.
- A Prescribed Association may hold its first AGM within 18 months after incorporation.
- Consumer and Business Services may grant an exemption from these timeframes, sometimes with conditions.

Non-prescribed associations are not required by the Act to hold an AGM. Their AGM requirements are set by their own rules.

These AGM requirements do not apply if an association's rules do not provide for membership.

7.2 Special General Meetings (SGM)

- (a) The Committee may call a SGM at any time.
- (b) The Committee must convene a special general meeting (SGM) if requested in writing by at least [5%] of the members. Within a reasonable time after receiving a request, the Committee must advise the requesting member(s), in writing, of the number of members required to meet the [5%] threshold (calculated on the total number of members at that time). A request for a SGM must:
 - i. state the purpose of the meeting;
 - ii. be signed by the requesting members; and
 - iii. be given to the Committee.
- (c) If the Committee does not call the meeting within 1 month, the requesting members may call the meeting themselves within 3 months.
- (d) A SGM called by members must be held in the same way as a meeting called by the Committee and is subject to Rules 7.3 and 7.4. The Committee must provide assistance to send out notices to members of the SGM.
- (e) The reasonable costs of holding a SGM are to be paid by the Association.

7.3 Notice for General Meetings (AGMs and SGMs)

- (a) The Committee must give members written notice of a General Meeting at least 14 days before the meeting.
- (b) If a special resolution is to be considered, the Secretary must give members written notice at least 21 days before the meeting. The notice must clearly state that a special resolution will be proposed.
- (c) The notice of a General Meeting must state:
 - i. the date, time and place of the meeting (or the technology to be used); and
 - ii. the general nature of the business to be considered.
 - iii. only business listed in the notice may be dealt with at the meeting,
 - iv. a member may ask for an item of business to be included by giving written notice to the Committee **[insert timeframe]** days before the meeting. If received in time, the Committee must include that item in the next notice calling a General Meeting.

7.4 Quorum for General Meetings (AGMs and SGMs)

When determining a figure for quorum, you should consider whether you wish to use a fixed number or a percentage of the Association's membership. Selecting a percentage can be useful if you have fluctuations in membership.

- (a) No business may be conducted at a General Meeting unless a quorum of members entitled to vote is present.
- (b) A quorum is **[insert a fixed number or a percentage, e.g. 25%]** voting members present in person or by approved technology.
- (c) If a quorum is not present within 30 minutes of the scheduled start time:
 - a. if the meeting was called by members, the meeting lapses;
 - b. otherwise, the meeting is adjourned to the same time and day in the following week, unless the President decides otherwise.
- (d) If a quorum is not present within 30 minutes at the adjourned meeting, the members present form a quorum.

7.5 President duties at General Meetings

- (a) The President presides at each General Meeting. If the President is absent, the Secretary presides.
- (b) If both the President and the Secretary are absent or unwilling to act, the Committee members present must choose one of their number to chair the meeting.

7.6 Making decisions at General Meetings

- (a) Decisions at a General Meeting are made by a show of hands, unless a secret ballot is requested.
- (b) A ballot must be held if the President decides, or if **[insert number, e.g. 5 or %]** members present ask for one.
- (c) The President's declaration of the result of a vote is final and must be recorded in the minutes.
- (d) If a secret ballot is held, it must be conducted in the manner directed by the President.
- (e) Except for a special resolution, decisions are made by a majority of votes of members present and entitled to vote (including by proxy, if proxies are allowed).

7.7 Voting

Clear voting rules help members understand who can vote and on what matters, reduce confusion at meetings, and support fair decision-making. They also help prevent disputes and ensure meetings are run smoothly and lawfully.

When drafting the rules, you should clearly state which membership classes have voting rights and ensure those rights align consistently throughout the Rules.

- (a) On any question arising at a General Meeting, a member has one vote only.
- (b) In the case of an equality of votes on a question at a General Meeting, the President is entitled to exercise a casting vote in addition to their deliberative vote.

7.8 Proxy voting

An Association can choose whether to allow proxy voting at general meetings. There is no requirement under the Act to include proxy voting.

If you allow proxies, the rules should clearly state who can act as a proxy, how a proxy is appointed, and what the proxy can vote on. If proxies are not allowed, the rules should state this clearly.

- (a) A member who is entitled to vote at a General Meeting may appoint another voting member as their proxy.
- (b) The proxy appointment must be in writing, in the form approved by the Committee (if any), and received by the Committee prior to the meeting.
- (c) A proxy may be appointed for a specific meeting or for more than one meeting.
- (d) A proxy may vote and participate at the meeting in the way set out in the proxy form.
- (e) If a member does not give voting instructions, the proxy may vote as they think fit.
- (f) A proxy vote is valid unless the Association is notified of its cancellation before the meeting.

7.9 Use of technology

- (a) General Meetings, including Annual General Meetings, may be held using technology approved by the Committee, provided members have a reasonable opportunity to take part.
- (b) Members do not need to be physically present at the meeting.
- (c) Meetings held using technology must be run in the way decided by the Committee.

Why it's important - Minutes and rights of members

Keeping proper minutes is a legal requirement under section 51 of the Act and is important for good governance.

Minutes are important because they:

- provide an official record of decisions made at general and committee meetings;
- confirm that meetings were properly held and decisions were valid;
- protect the Association and its officers if decisions are later questioned.

For Prescribed Associations, failing to keep, confirm, and sign minutes is an offence under the Act.

Members have rights to inspect general meeting minutes free of charge.

8 Minutes

8.1 Meeting minutes

- (a) The Secretary must keep accurate minutes of all general meetings and Committee meetings.
- (b) The minutes must be recorded within 1 month after the meeting.
- (c) The minutes must be confirmed at the next relevant meeting and signed by the chair of that meeting.
 - i. Where a member(s) disputes information contained in the minutes, the dispute must be put to a vote of members present at the meeting of which the minutes relate.
- (d) Once confirmed and signed, the minutes are taken to be a true and correct record of the meeting unless proven otherwise.
- (e) Members have the right to inspect general meeting minutes free of charge in accordance with section 51 of the Act.
 - i. A written request must be made by a member to the Committee requesting inspection of the general meeting minutes.
 - ii. The Committee must provide an opportunity for the member to inspect the requested minutes within one month of the request being made.

9 Financial matters

Why it's Important – Prescribed or not?

An association is a **Prescribed Association** under the Act if it meets the financial threshold set by the Regulations (**\$500,000 or more** in gross receipts in the previous financial year).

Gross receipts mean the total amount of the receipts of the Association including any grant or subsidy paid to or on behalf of the Association by the government but not including any money received by the Association-

- for membership fees or any other fee paid by a member;
- as a devise or bequest;
- from the sale of any of the Association's assets that had not been originally purchased by the Association for the purpose of the resale.

If an association is prescribed, it must meet **additional financial obligations** under the Act. A Prescribed Association must:

- keep proper accounting records;
- prepare financial accounts each year;
- have the accounts **audited by an independent, qualified auditor**;
- ensure the Committee signs a statement confirming the accounts are accurate and the Association can pay its debts;
- present the audited accounts and reports to members; and
- lodge the periodic return with CBS.

Committee members must take reasonable steps to ensure these obligations are met. Failing to comply may result in penalties under the Act.

Associations that are **non-prescribed associations** are not required by the Act to have audited accounts, unless their own rules require it.

Who can be an auditor?

In accordance with section 35(2)(b) of the Act a Prescribed Association must have their accounts audited by a:

- registered company auditor;
- firm of registered company auditors;
- person who is a member of the Australian Society of Certified Practising Accountants; or
- person who is a member of The Institute of Chartered Accountants in Australia.

9.1 Financial year

The first financial year of the association shall be the period ending on the next **[30 June]** following incorporation, and thereafter a period of 12 months commencing on **[1 July]** and ending on **[30 June]** of each year.

If your association uses a different financial year (for example, the calendar year), you must change this rule.

9.2 Management of funds

- (a) The Association must open an account with a financial institution from which all expenditure of the Association is made and into which all of the Association's revenue is deposited.
- (b) The Committee may approve expenditure up to **[\$1,000]** on behalf of the Association. Expenditure over **[\$1,000]** must be approved by members at a general meeting.
- (c) The Committee may authorise the Treasurer to expend funds on behalf of the Association (including by electronic funds transfer) up to a specified limit without requiring approval from the Committee for each item on which the funds are expended.

We recommend that an Association has at least two signatories to any bank accounts.

9.3 Accounts to be kept

The association shall keep and retain such accounting records as are necessary to correctly record and explain the financial transactions and financial position of the association in accordance with the Act.

9.4 Prohibition against securing profits for members

The income and capital of the association shall be applied exclusively to the promotion of its objects, and no portion shall be paid or distributed directly or indirectly to members or their associates except as bona fide remuneration of a member for services rendered or expenses incurred on behalf of the association.

Prescribed Associations must include Rules 9.5, 9.6 and 9.7. Associations that are **non-prescribed** associations are not required by the Act to include these Rules however if you choose to include them, the Association **must** follow them.

9.5 Appointment of auditor

- (a) At each annual general meeting, the members shall appoint a person to be auditor of the Association.
- (b) The auditor shall hold office until the next AGM and is eligible for re-appointment.
- (c) If an appointment is not made at an AGM, the committee shall appoint an auditor for the current financial year.
- (d) The auditor must meet the requirements set out in sections 35(2)(b) and 35(4) of the Act.

9.6 Accounts to be laid before members

- (a) The accounts, together with the auditor's report on the accounts, the committee's statement and the committee's report, shall be laid before members at the AGM.

9.7 Periodic returns

- (a) The periodic return shall be lodged with CBS within six months after the end of each financial year. It must be accompanied by a copy of the accounts, the auditor's report, the committee's statement, and the committee's report.

10 Rules and by-laws

An association can choose how its rules are changed by setting this out in its rules. However, if there is no provision, then the Act states that they may only be changed by a special resolution.

Once a rule change is voted on and passed by the Association, it becomes binding on the Association and its members at the time the alteration is passed, unless the change is inconsistent with the Act.

An alteration of rules application must be lodged with CBS within **1 month** (late fees apply).

CBS will assess the proposed changes and will register the change if it complies with the Act.

10.1 Alteration to rules

- (a) These Rules may be altered (including an alteration to the Association's name) by special resolution of the members of the Association. This includes revision or replacement by substitute rules. The notice requirements and necessary voting for a special resolution to alter the rules is included in Rule 2 of these Rules.
- (b) The alteration shall be registered with CBS which administers the Corporate Affairs Commission within one month.
- (c) The registered rules shall bind the association and every member to the same extent as if they have respectively signed and sealed them and agreed to be bound by all of the provisions thereof.

10.2 By-laws

- (a) By-laws may be made, altered or revoked by special resolution of the members of the Association. This includes revision or replacement by substitute by-laws. The notice requirements and necessary voting for a special resolution to alter the by-laws are included in Rule 2 of these Rules.

10.3 Inconsistency between the Rules or by-laws and the Act

- (a) If there is any inconsistency between the Rules or by-laws and the Act, the Act prevails.

11 Winding up

11.1 Voluntary winding up

- (a) The Association may be wound up or dissolved in accordance with the Act.
- (b) A decision to wind up or dissolve the Association must be approved by a special resolution of the members. The notice requirements and necessary voting for a special resolution to wind up or dissolve is included in Rule 2 of these Rules.
- (c) The Committee must ensure that the appropriate process is followed with CBS, including voluntary winding up or voluntary deregistration, as required by the Act.
- (d) The Association's registration is cancelled when the winding up or deregistration process is completed in accordance with the Act.

11.2 Application of surplus assets

- (a) If after the winding up of the Association there remains surplus assets, such surplus assets must be distributed to any organisation which has similar objects (or is a charitable organisation) and has rules which prohibit the distribution of its assets and income to its members.
- (b) Such organisation or organisations must be identified and determined by a resolution of Members at a General Meeting.
- (c) In accordance with the Act, surplus assets means assets that remain after the liabilities of the Association have been discharged and the costs and expenses of deregistration have been paid.