

## Cooroy Golf Club Inc. Covering Note to Draft Constitution – 2024

Given that Cooroy Golf Club is incorporated under the *Associations Incorporation Act 1981* (the Act), the organisation must operate according to a set of rules, which are consistent with the Act and the *Associations Incorporation Regulation 1999*. These rules are referred to as a constitution.

Through support from Golf Australia, the club has worked with governance consultants CPR Group to develop a new constitution. As part of this process, CPR Group has completed an assessment of the club's existing constitution and identified some areas in the document that now require updating.

The club's proposed new constitution, which reflects the contemporary provisions of good governance, is proposed to supersede the existing constitution, once adopted by members and registered with the Office of Fair Trading (OFT). Members of the club are invited to provide feedback on the draft.

The table below provides a summary of key components of the proposed new constitution. **Note: all aspects of the proposed new constitution adhere to the *Associations Incorporation Act 1981 (as amended)*.**

### Changes made to align the proposed constitution with the *Associations Incorporation Act 1981*

#### Membership

- An applicant who applies for membership and has their application rejected, has no right to appeal this rejection. Note: this only applies to applicants who **are not** already members.
- An existing member, who has their application for membership renewal rejected, has the right to appeal the rejection.
- Grievance and mediation procedures have been included to ensure compliance with the Act.

#### Management Committee

- Clarification of legal duties of management committee members, including the duty to:
  - disclose material personal interests;
  - exercise care and diligence;
  - act in good faith;
  - not improperly use positions or information to gain benefit; and
  - prevent insolvent trading.
- Additional provisions relating to material personal interests of management committee members, as well as declaration of any remuneration paid to senior employees and management committee members, have been added.

#### Meetings

- Management committee meetings and general meetings may be conducted using any technology that reasonably allows each participant to take part in discussion and debate.
- The management committee must meet at least once every four months. The management committee is able to continue meeting more regularly than this, as per current practice. If the management committee is unable to hold a meeting, a written resolution may be agreed in writing.

### **Finance**

- The club's financial year end date will remain as 30 June in each year and the club's AGM must be held within 6 months of this date.

### **Winding Up**

- In the event that the club is wound up, no member is personally liable to contribute towards the costs, charges or expenses of winding up, beyond returning assets of the club in their possession and payment of any outstanding fees or levies.

## **Changes made to align with industry best practice (which also align with the Act)**

### **General**

- Modernised objects and powers to align with the club's strategic direction.

### **Membership**

- Classes of membership specified in the new constitution are:
  - full members; (voting, eligible for management committee)
  - junior members; (non-voting, ineligible for management committee)
  - limited members; (non-voting, ineligible for management committee)
  - life members. (voting, eligible for management committee)
- Sub-classes of these membership classes will be defined in the club's bylaws (see table below)
- A procedure for the nomination of prospective life members is included.
- It is the duty of management committee members to prevent insolvent trading and it is considered essential that the management committee has the power to fulfil its statutory fiduciary duties. Therefore, all fees are set by the management committee, in line with good business practice. This is very common amongst golf clubs and other community clubs.
- Taking account of privacy considerations, the proposed new constitution stipulates that the club's register of members is only open for inspection by the secretary, the management committee and any other person authorised by the management committee.
- Appeal timeframes are now as short as possible to deal with any disciplinary issues promptly and to better provide for natural justice. Rather than calling a general meeting to hear an appeal against the management committee's decision to terminate or suspend a member's membership, the appeal would instead be heard by an appeals panel.

### **Management committee**

- In line with best practice a clause is introduced to forbid any employees of the club from simultaneously holding office as a management committee member.
- The management committee must have between four and seven members, in line with best practice of an efficient, streamlined management committee. The positions of president and finance director are listed, along with any other members elected at a general meeting. This does not prevent the club from keeping current management committee roles (e.g., men's and women's captain), but instead provides flexibility to the structure of the committee.
- The current management committee election processes have been retained.
- Any eligible (full or life) member may be nominated for a management committee position by two other members of the club who are eligible to vote at general meetings.

- o Additional clauses have been included concerning the removal of management committee members in line with legislation and best practice. This includes the requirement for all management committee members to have a Working With Children check (Blue Card) as required by legislation.

**Meetings**

- o At meetings of the management committee and at general meetings, any question arising is to be decided by a majority vote of those present and voting and, if the votes are equal, the question is decided to maintain the status quo. There is no casting vote for the chairperson.
- o Under the proposed new constitution, the quorum for any management committee meeting is more than 50% of the management committee.
- o The quorum for any general meeting (inc. AGM) is the number of eligible voting members equal to double the number of management committee members plus one (for example, if there are seven members on the management committee, 15 voting members [7 + 7 + 1] are required).
- o In order to request a general meeting, 20% of the voting members must sign the request and submit to the secretary.

**Current membership classifications under the proposed constitution**

Type	Full	Limited	Junior	Life
Sub-classifications	Ordinary 9-Hole PAYP Cadet	Social Honorary Temporary	N/A	N/A
Voting rights?	Yes	No	No	Yes
Eligible for management committee?	Yes	No	No	Yes