



Australian Government

Office of the Registrar of Indigenous Corporations

‘Know your rules.’

Encourage your members to learn about the rules of your corporation.

THE RULE BOOK

short



This model rule book complies with the
Corporations (Aboriginal and Torres Strait Islander) Act 2006.



FURTHER HELP

ORIC runs workshops for new groups who want to register and for existing corporations who want to change their rules.

Call 1800 622 431

DISCLAIMER OF LIABILITY

This document is only a guide. It will help corporations registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* to develop a rule book. It is not legal advice and ORIC disclaims any liability arising from its use. People using this document can ask ORIC for further help or obtain other professional advice.

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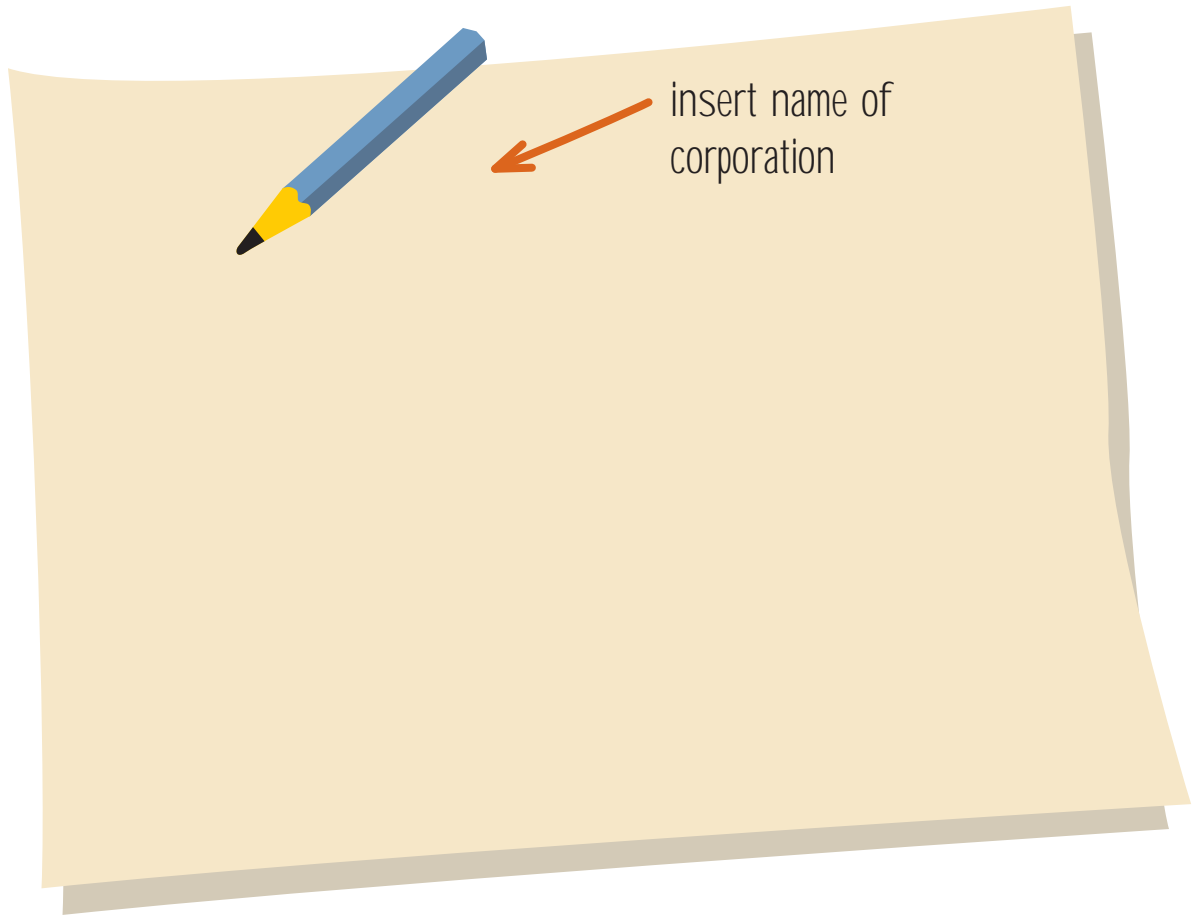
Make sure the right number of members agree to these rules.



This rule book is in words and pictures. You can change the pictures to suit your corporation.
The Office of the Registrar of Indigenous Corporations (ORIC) also has more detailed rule books you can use. We can send you a copy if you call us on 1800 622 431 or look at our website: www.oric.gov.au.



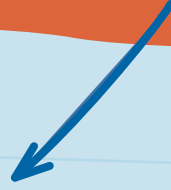
The rule book of



1 Name

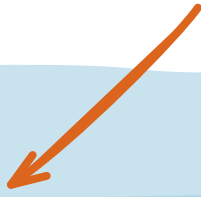
Write down the name or draw the symbol of the corporation.

The name of the corporation is:



2 Aims

Write down or draw
what the corporation
aims to do.





3 Members

Write down or draw who can be a member.

A member must be:

- at least 15 years old
- an Aboriginal or Torres Strait Islander person
- anything else?

Do you want any non-Indigenous people as members? If you do, most members must be Aboriginal or Torres Strait Islander people.



How to become a member

A person applies in writing.

The directors accept the application.

(Write the person's name, address and date they became a member in the **register of members**.)

New members
welcome
must be
15 years old

How to stop being a member

A member resigns in writing.

A member has their membership cancelled.

A member dies.

(Write the person's name, address and date they stopped being a member in the **register of former members**.)

Cancelling membership

Directors can cancel a person's membership at a directors' meeting.

Directors must tell members 14 days before the meeting.

If the member objects, their membership can only be cancelled at a general meeting by resolution.

Membership can also be cancelled if members can't be contacted for two years or if they behave badly.



Register of members

All corporations need to have a register of members with members' names, addresses and the date they became a member. They also need to keep a register of former members.

4 Meetings

When are annual general meetings (AGM) held?

AGMs must be held before the end of November.



What happens at an AGM?

- ✓ agree to the minutes of the last AGM
- ✓ present reports:
general, financial, directors'
- ✓ elect directors
- ✓ choose an auditor (if needed)
and agree on their fee
- ✓ check the register of members
- ✓ ask questions about how
the corporation is managed



General meetings

A director can call a general meeting.

Members can ask directors to call a general meeting.

Number of members in corporation	Number of members that need to ask for a general meeting
2 to 10 members	= 1 member
11 to 20 members	= 3 members
21 to 50 members	= 5 members
51 or more members	= 6 members

Directors must send out a notice within 21 days to let members know about a general meeting.

The notice must have

- the place, date and time of the meeting
- the business of the meeting.

What happens at a general meeting?

- members agree to the minutes of the last meeting
- members talk about everything in the notice.



What is the quorum for your corporation?

Number of members in corporation

2 to 30 members

31 to 94 members

96 or more members

Number of members to make a quorum

= 2 members

= 5 members

= 10 members



The quorum must be there for the whole meeting.
If not, the meeting is held off until the next week.

Members' resolutions

Members can propose a resolution and then give notice of it to the corporation.

Number of members in corporation	Number of members that need to propose a resolution
2 to 10 members	= 1 member
11 to 50 members	= 5 members
51 or more members	= 6 members

It must be discussed at the next general meeting.

Who can chair a meeting?

The chairperson. If you don't have one or if the chairperson isn't there, the directors can choose someone. If they don't, the members can choose someone.

How to vote at meetings

Each member has one vote.

Resolutions can be decided by a show of hands OR a poll.

A poll is done by writing on voting paper or putting marbles in labelled jars.



What is a proxy vote?

Members can appoint a person in their place (proxy) to attend meetings and vote for them.

The member must tell the corporation about the proxy two days before the meeting.

A person must not be a proxy for more than three members.

5 Directors

How many directors must a corporation have?

No more than 12 directors



and no less than three directors.





Conflict of interest

Directors must let other directors know if they have a conflict of interest.



Who can be a director?

- Someone who is at least 18 years old.
- Someone who is a member.
- More than half the directors must be Aboriginal or Torres Strait Islander people.

How to become a director

The corporation can appoint a director by resolution passed at a general meeting.

The person must agree to be a director.

How to stop being a director

A director resigns in writing.

A director has their directorship cancelled.

A director's appointment expires.

A director dies.

How to remove a director

More than half the members must vote to remove the director at a general meeting.



Directors' duties

These are:

- ✓ a duty of care and diligence
- ✓ a duty of good faith
- ✓ a duty to disclose a conflict of interest
- ✓ a duty to not trade while insolvent
- ✓ a duty not to use position or information in the wrong way.

Payment

Directors are not paid, unless they are employees of the corporation.

The corporation can pay the directors' travelling and other expenses on corporation business.

Related party benefits

If a corporation wants to give a financial benefit to a director or someone related (such as the wife or husband) it must get the approval of the members.

Directors' meetings

Directors must meet at least every three months.

Meetings can be by phone or video conference.

Directors quorums

Most of the directors must be in the meeting all the time.

Chairing directors' meetings

The directors can elect a director to chair their meetings.

Directors' resolutions

A resolution of directors must be passed by more than half of the votes.
The chair has a vote plus a casting vote.

6 Contact person

The contact person must be at least 18 years old.

The directors appoint a contact person and decide if they will be paid.

The contact person must give all letters to a director.



7 Records

Corporations must keep:

- ✓ minutes of all meetings
- ✓ the rule book
- ✓ register of members and former members
- ✓ financial records



8 Handling money

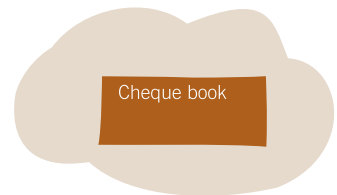
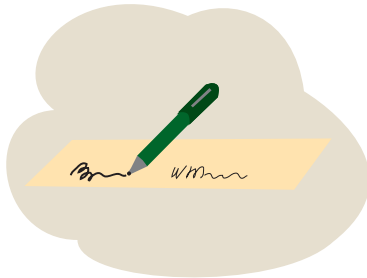
All corporation money must be deposited in its bank account.

The corporation must give receipts for all money it receives.

Any two directors can sign cheques or other official documents.

All bills must be approved for payment at a directors' meeting.

Directors can use the money and property of the corporation to carry out its business. They cannot give the money and property to other members.



9 Handling disputes

1 People must first try to work it out themselves.



2 The directors then try to help them work it out. If the dispute is about the Act or the corporation's rules, ask the Registrar for an opinion.



3 If there is still a problem it must be discussed at a general meeting.



RESOURCE CENTRE





