

**Centre for Participation Inc.**  
**ABN 17 857 841 823**  
**(Association)**

EXPLANATORY STATEMENT IN RESPECT OF PROPOSED SPECIAL RESOLUTION: AMENDMENTS TO THE  
RULES OF THE ASSOCIATION

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In accordance with rule 9 of the Rules of the Association (the **Rules**) and subject to the additional requirements of the *Associations Incorporation Reform Act 2012 (Vic)*, amendments to the Rules must be made by Special Resolution of the Association.

The Board of the Association proposes that the Special Resolution accompanied by this Explanatory Statement (the **Special Resolution**) is passed at the 2024 Annual General Meeting of the Association to amend the Rules. Further detail in relation to the proposed amendments to the Rules is set out below.

A copy of the current Rules which includes the proposed amendments in mark-up is enclosed with this Explanatory Statement to assist members.

**1. Minor amendments**

- 1.1. The current Rules contain typographical errors, inconsistent references to legislation and outdated provisions. In addition, as a result of the proposed amendments, it is necessary to reformat certain rules (such as replacing punctuation or changing numbering). It is proposed that the Rules are amended to correct such errors and make such changes (without changing the substantive operation of the Rules).
  - 1.2. The amendments to the following rules are proposed in the Special Resolution:
    - (a) Rule 2 (refer to paragraph (a) of the Special Resolution);
    - (b) Rule 3(k) (refer to paragraph (b) of the Special Resolution);
    - (c) Rule 3(l) (refer to paragraph (d) of the Special Resolution);
    - (d) Rule 4.2(a) (refer to paragraph (f) of the Special Resolution);
    - (e) Rule 11.6(a)(8) (refer to paragraph (r) of the Special Resolution);
    - (f) Rule 11.1(c) (refer to paragraph (n) of the Special Resolution which is also discussed at paragraphs 6.1-6.2) (refer to paragraph (p) of the Special Resolution);
    - (g) Rule 11.6(a)(5) (refer to paragraph (q) of the Special Resolution);
    - (h) Rule 11.7(c) (refer to paragraph (t) of the Special Resolution);
    - (i) Rule 11.9(a) (refer to paragraph (u) of the Special Resolution);
    - (j) Rule 11.9(b) (refer to paragraph (v) of the Special Resolution);
    - (k) Rule 11.9(c) (refer to paragraph (x) of the Special Resolution); and
    - (l) Rule 11.19(c) (refer to paragraph (z) of the Special Resolution).
  - 1.3. Rule 5.4 provides that a fee may be payable for the provision of the register of members to members. It is proposed that this is removed given the use of digital communications (refer to paragraph (i) of the Special Resolution).
  - 1.4. Rule 19.2 provides guidance around the interpretation of the Rules. It is proposed that rule 19.2(b) is amended to include a reference to “equivalent” legislation to ensure that all legislation that is applicable to the Association is considered when interpreting the Rules and reduce the likelihood the Association will need to further amend the Rules where legislation is replaced from time to time (refer to paragraphs (aa) and (bb) of the Special Resolution).
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## **2. Purpose of the Association**

- 2.1. It is proposed that the following rules are amended to reinforce the Association's purpose as a Public Benevolent Institution and deductible gift recipient:
- (a) Rule 4.1(c) (refer to paragraph (e) of the Special Resolution);
  - (b) Rule 8.3 (refer to paragraph (j) of the Special Resolution); and
  - (c) Rule 9(a) (refer to paragraph (k) of the Special Resolution).

## **3. Transactions with Board Members**

- 3.1. Rule 4.2 provides that all payments to Board members by the Association require Board approval and lists certain types of transactions as examples. It is proposed that this rule is amended to broaden the types of transactions to include the following for completeness (refer to paragraphs (g) and (h) of the Special Resolution):
- (a) a good or service supplied to the Association by a Board member;
  - (b) interest or money borrowed from a Board member to the Association; or
  - (c) rent for premises let by a Board member to the Association.

## **4. Powers of the Association**

- 4.1. Rule 3 sets out the powers of the Association. It is proposed that rule 3 is amended in the following manner to provide clarity and to align the powers of the Association with the current general practice of charities with similar purposes (refer to paragraph (c) of the Special Resolution):
- (a) Inclusion of the power to accept or refuse gifts, endowments or bequests. Whilst the power to accept endowments or bequests is generally available, the Board is of the view that it would benefit the Association to also have the power to refuse gifts where appropriate, such as where accepting a gift would cause a financial detriment or not align with the purposes of the Association;
  - (b) Inclusion of the power to subscribe to, become a member of, and co-operate with any other associations (subject to certain limitations); and
  - (c) Inclusion of a more detailed power regarding the carrying on of a business.
- 4.2. Importantly, the powers of the Association, including the additional powers proposed in the Special Resolution and summarised at paragraph 4.1 above, can only be exercised solely for the purpose of carrying out the Association's purposes (refer to the existing rule 3).

## **5. Notice of General Meetings**

- 5.1. The existing rule 10.2(a) provides that 21 days' notice of general meetings must be provided members, Board members and the auditor of the Association. The existing rule 10.2(d) currently states that a person's attendance at a general meeting waives any objection to a failure to give notice, or due notice, of a general meeting.
- 5.2. To allow for greater flexibility with the calling of general meetings, it is proposed that rule 10.2 is amended to explicitly allow for the 21-day notice requirement to be waived by written notice to the Association (refer to paragraphs (l) and (m) of the Special Resolution).

## **6. Composition of the Board – Ensuring compliance with aged care laws**

### ***Paragraph (n) of the Special Resolution***

- 6.1. Rule 11.1(c) sets out certain eligibility requirements for Board members and excludes persons from becoming a Board member where they have been disqualified from managing corporations under the *Corporations Act 2001* (Cth) or are not a “responsible person” under the *Australian Charities and Not-for-Profit Commission Act 2012* (Cth).
- 6.2. Because the Association provides aged care related services, it is proposed that rule 11.1(c) is amended to exclude persons that are the subject of a “banning order” under aged care laws from being eligible for appointment to the Board. Doing so will incorporate the legislative requirements under the *Aged Care Quality and Safety Commission Act 2018* (Cth) as well as any potential requirements under the *Aged Care Bill 2024* (Cth) should it become law.

### ***Paragraph (s) of the Special Resolution***

- 6.3. Similarly, rule 11.6 sets out the circumstances where a person must cease to be a Board member and references the requirements in the *Corporations Act 2001* (Cth) and the *Australian Charities and Not-for-Profit Commission Act 2012* (Cth).
- 6.4. It is proposed that rule 11.6 is amended such that the office of a Board member becomes vacant if the Board member receives a “banning order” under the *Aged Care Quality and Safety Commission Act 2018* (Cth) or equivalent legislation.

### ***Paragraph (o) of the Special Resolution***

- 6.5. It is also proposed that rule 11.1 is amended to empower the Board to adopt a policy regarding the eligibility requirements for appointment to the Board. This will allow the Board to determine any additional criteria that an individual must satisfy to be appointed as a member of the Board in addition to the requirements in the Rules. This will enable policies to be adopted from time to time which comply with the requirements under applicable laws.

## **7. Duties and obligations of Board Members – Ensuring compliance with aged care laws**

- 7.1. Rule 11.9 sets out the powers and duties of Board members, and references compliance with specific legislation.
- 7.2. It is proposed that rule 11.9 is amended to provide that Board members must comply with the legislative duties, obligations and conditions applicable to the Association under aged care laws (refer to paragraph (w) of the Special Resolution). Making specific reference to the legislative requirements will provide greater clarity as regards to Board members’ duties and obligations.

## **8. Advisory Councils**

- 8.1. The current rule 11.17 briefly deals with the establishment of one or more advisory council/s.
- 8.2. The Association may be required to establish one or more advisory councils or committees to meet its obligations under aged care or other laws from time to time.

- 8.3. It is proposed that current rule 11.17 is replaced to provide more robust rules which include further detail about the establishment and procedures of advisory councils (refer to paragraph (y) of the Special Resolution).
- 8.4. It is also proposed that the Rules be amended to include the initial advisory council rules in Schedule 1 (refer to paragraph (cc) of the Special Resolution).