



The Royal Geographical Society of Queensland Inc

ABN 87 014 673 068

Est 1885

Level 1, 28 Fortescue Street, Spring Hill Qld 4000, Australia

Phone: + 61 7 3368 2066

Email: info@rgsq.org.au

Internet: www.rgsq.org.au

THE ROYAL GEOGRAPHICAL SOCIETY OF QUEENSLAND INCORPORATED

Explanatory Note supporting a Special General Meeting of Members – 7th May 2019

Members are invited to attend a Special General Meeting of the Society on **Tuesday 7th May 2019** at **'Gregory Place', Level 1, 28 Fortescue St, Spring Hill, QLD 4000, commencing at 7:15 pm** to consider a number of resolutions concerning changing the basis of incorporation of the Society, from Letters Patent to a company limited by guarantee. One of these resolutions involves adoption of a new constitution.

The formal Notice of Meeting showing the resolutions proposed, is distributed with this Explanatory Note. This Note sets out the background to the proposal and the main changes to the constitution.

Members will be aware that this proposal has been under consideration by the Council for some time, with an initial briefing meeting with members on 6th June 2017, and at a meeting with members on 3rd July 2018, at which a draft proposed new constitution was discussed. Input from members in this process, particularly at and following the July 2018 meeting has been very useful in development of the constitution which is being presented for endorsement. The Council is appreciative of the interest and contributions provided by members.

All resolutions are Special Resolutions which require support of 75% of members voting. The Council unanimously recommends members vote in favour of the resolutions.

Background

The Society gains its status as an incorporated body through Letters Patent, issued under the legal framework of a Queensland Act of Parliament (the Religious, Educational and Charitable Institutions Act) which was repealed in 1980. Transition provisions in the replacement Act (the Associations Incorporation Act) secured ongoing incorporation status under Letters Patent, however the Society has not sought registration as an incorporated association under the new Act.

Letters Patent structures, whilst still in use by some organisations, are no longer widely adopted by not-for-profit bodies, and uncertainty surrounding governing provisions under this regime suggests this structure is not optimal. A more clearly defined and up to date form of legal structure is considered necessary to provide the appropriate platform for Society operations and future development.

Of the two (2) alternative legal structures available:

- Incorporation under the (Queensland) Associations Incorporation Act, and
- Incorporation as a company limited by guarantee (CLG) under the (Commonwealth) Corporations Act,

the Council considers that a CLG is the most appropriate.

Process

Members are being asked to support Special Resolutions which:

- (i) Approve a change in the basis of incorporation of the Society from Letters Patent to a company limited by guarantee (CLG)
- (ii) Approve a change in the name of the Society from The Royal Geographical Society of Queensland **Incorporated** to The Royal Geographical Society of Queensland **Ltd.**
- (iii) Approve adoption of a new constitution for the Society.

- (iv) Establish the current councillors as the Initial Directors of the company (Society), on registration under the Corporations Act.
- (v) Authorise Iraphne Childs (President), Margaret Mclvor (Secretary), and Christopher Spriggs (Treasurer), acting individually or collectively, to execute all documents and do all things necessary to give effect to implementation of the resolutions above.

These resolutions, if supported by Members, will authorise applications being made to the relevant agencies (State and Federal) for the Society to convert to a company limited by guarantee (CLG), under the Corporations Act (Cth).

New Constitution

The constitution of a CLG needs to meet selected requirements of the Corporations Act. Whilst the current RGSQ constitution, in substance, is not inconsistent with the Corporations Act, it would require significant modification, and the mechanism for achieving a compliant constitution is best addressed by adoption of a new document altogether.

The model constitution for CLG's published by the Australian Charities and Not-for-Profit Commission (ACNC) has been used as the core document in development of the new RGSQ constitution. The model has been modified only where necessary to meet specific RGSQ circumstances or requirements. (ACNC is the agency through which the Society's status as a charity is registered. ACNC fulfils an oversight role on behalf of the Australian Securities and Investments Commission (ASIC) in the registration and operation of CLG'S).

The proposed new constitution and accompanying by-laws can be accessed on the RGSQ web site (www.rgsq.org.au) in the Members Only section under "Updating the Society's Basis of Incorporation" (please log-in with your credentials). Copies will be provided on request (please contact RGSQ: info@rgsq.org.au or phone 07 3368 2066).

The remainder of this Explanatory Note identifies the main provisions of the new constitution that differ from the current constitution. The structure of the model/new constitution is quite different to the current version, and no attempt is made to present a clause by clause comparison of the two, or to summarise the content of the entire constitution.

Clause 1. Name. The change in the basis of incorporation will not affect the name of the Society-specifically continued use of 'Royal'. 'Incorporated' / 'Inc' will be replaced with 'Ltd'.

Clause 4. The guarantee. A company limited by guarantee means 'a company formed on the principle of having the liability of its members limited to the respective amounts that the members undertake to contribute to the property of the company if it is wound up.'

The guarantee is activated only should the Society be wound up. The guarantee amount has been set at \$10 and, if ever invoked, would apply to each member (including each member of a Household Membership).

The members' guarantee concept is new to RGSQ.

Clause 6. Object. There is no change to the object of the Society, and the clause remains:

'The object for which the Society is established is to promote and stimulate the study of geography.'

Clause 7. Powers. The approach adopted to the expression of powers in the model and new constitution is fundamentally different to that in the current constitution. The current constitution lists 24 powers - quite detailed and essentially the range of functions and processes applied in operating an organisation. The new constitution expresses powers from a different angle - effectively as power to do everything an individual or corporation could do, in order to carry out the stated object of the organisation.

Clauses 7(a) and (b) are mandatory - i.e., need to be included to comply with the Corporations Act. Importantly, these clauses adequately cover the RGSQ / AGTA / Australian Geography Competition arrangement, and other income generating initiatives (e.g., RGSQ Traveller), subject to these being undertaken for the purpose of furthering the Society's object.

Clauses 10-15. Members. Provisions dealing with Members (clauses 10-15) and dispute resolution and disciplinary procedures (clauses 16-17) are, in substance, much the same as in the current constitution.

Membership categories (clause 5.1(a) in the current constitution) are now recorded in **By-laws** and a facility introduced to enable the Council to amend the scope and definition of categories of membership.

All rights and entitlements of members are preserved to those applying at the time of admission to membership within the category concerned. (clause 11.4). Voting rights of members may only be amended through special resolution of members. (clause 11.5)

Clause 11.6 provides that the amount of the annual membership subscription will be determined by the Council. Under current arrangements, the subscription is determined by members in general meeting. The Council considers that setting the annual fee is a business operating function, that appropriately resides with the Council. Fees (\$9,889 in 2017/18) represent less than 2% of the total operating income of the Society.

Clauses 18-28. General meetings of members. Arrangements dealing with general meetings are, in substance, consistent with clauses 20-24 in the current constitution, but more comprehensive. Provisions relating to members' resolutions and statements (a feature that is not covered in the current constitution) are included at Clauses 29-31.

There are some changes, the main ones being:

- (i) The annual general meeting must be held within four (4) months of the end of the preceding financial year. The current constitution specifies three (3) months. (The model constitution, which has been varied for RGSQ requirements, adopts the limit set in the Corporations Act of five (5) months.)
- (ii) 21 days' notice is required for a general meeting (including an annual general meeting). The current notice period is 14 days.
- (iii) Clause 20.3 in the new constitution requires that the Councils' annual report and financial statements be provided to members at, or before the annual general meeting. A **By-law** specifies that this information is to be available to members not less than three (3) days before the meeting. The current constitution provides only that these reports be 'received' at the annual general meeting, which provides no opportunity for members to peruse the reports prior to the meeting.

Clauses 32-37. Voting at General meetings. Provision has been included in the new constitution (clauses 36, 37) to enable members to register votes by proxy. This facility has not previously been available to members. A person appointed as a proxy needs to be a member.

Clauses 38-42. Councillors. The main features of the new constitution dealing with Councillors, President, Office Bearers, their election and appointment are: (some of these vary from current arrangements)

- The Council will be made up of twelve (12) members: eleven (11) elected as Councillors and one (1) elected as President - all elected by members. The current constitution provides for a maximum of thirteen (13) Councillors.
- All Councillors retire each year and are subject to annual nomination/election. (no change)
- A Councillor who has held office for a continuous period of nine (9) years may only be re-elected by a Special resolution of members. (new provision)
- No Councillor may serve more than four (4) consecutive one-year terms as President. (currently a two (2) term limit applies)
- If insufficient nominations for election as Councillor are received prior to the annual general meeting (i.e., fewer than (12) twelve), the Chairman may accept nominations from the floor of the meeting. (no change)
- If no nomination for election as President is received, a President will be appointed by the Council from amongst the group of Councillors elected at the meeting. (new provision).

- Office bearer positions are filled annually by appointment by the Council, from amongst the body of elected Councillors: (currently these positions are elected by members)
 - 1 Vice President (currently two (2))
 - Treasurer
 - Secretary
- It is a mandatory requirement under the Corporations Act that the Society appoint a Secretary. Clause 56 provides that where no Councillor, or member who is not a Councillor, accepts appointment as Secretary, the Council will appoint a non-member as Secretary. (new provision)

The Councillors and Office Bearers in office at the date of the Special general meeting will remain in office until the annual general meeting first held after the date of adoption of the new constitution.

Because the Society becomes a 'company', the Corporations Act requires 'initial directors' to be appointed, and all currently serving councillors will constitute the 'initial directors'.

Attention is drawn to the definition of Councillor in **Clause 70** (Definitions):

'**Councillor** means a member elected as a Councillor pursuant to this constitution and whose functions and responsibilities reflect, in all respects, those of a director as set out in the Corporations Act, and the term 'councillor' in this constitution has the same meaning as 'director' in the Corporations Act.'

Clause 59. By-laws.

A set of By-laws has been developed which essentially record procedural matters. As noted earlier, membership categories and definitions are now recorded in the By-laws. The By-laws form part of the constitution.

On behalf of the Council



Iraphne Childs

President

Date 8/04/2019