



NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:00 a.m.
DATE: 30 June 2013
PLACE: Rotary Athletics Field, Mowbray Road, Chatswood

AGENDA:

1. Welcome
2. Apologies
3. Confirm the minutes of the last AGM
4. Annual Report
5. Adoption of the financial accounts for the financial year 1 April 2012 to 30 March 2013
6. Election of Committee Members
7. Special Business: Approval of Constitution

Proposed special resolution:

"That the rules of the Club be replaced by the Constitution accompanying this proposed resolution with effect immediately after the end of the meeting at which this resolution is passed."

Dated: 5th June 2013

By order of the Committee

Peter Douglas
Secretary

Item 7: special business - Explanatory Statement

Members are being asked to consider and, if thought fit, to pass a special resolution to adopt a new constitution to replace the existing Articles of Association with the accompanying proposed Constitution.

The purpose of the Resolution is to **adopt a new Constitution** for the Club.

This Explanatory Statement is to assist Members to understand the proposed new Constitution.

Short Summary

While the **law requires a reasonable explanatory statement** to be given about the proposed changes, here is a **short summary**:

The current rules for the Club are a **confusing mix** of rules that most people would not bother to read.

There are a lot of **outdated references** in the current rules.

The Club is expected to have **better governance rules**.

The Club has got more complex and it probably will get more complex. Better rules will help manage that.

The proposed new rules clean up the outdated rules and have a better set of rules.

The proposed Constitution is a modern set of rules which the Club needs now and for the near future.

Background

The current rules for the Club are a **mix** of the written document called the "**rules**" (last amended in 1997) and some **new rules which have been imposed** by the Associations Incorporations Act 2009 (New South Wales) (**Associations Act**) since 1 July 2010 despite what is in the written rules.

It is very **difficult** for anyone to know what that **combination of rules is and means**. It is better to have one document that sets out all of the rules. The proposed new Constitution would achieve that.

The reforms brought about by the Associations Act were brought in to assist more than 35,000 associations across New South Wales to operate more effectively and make it easier for them to manage their affairs.

Under the Associations Act, an association such as the Club **may do any** of the following:

- (a) adopt the model constitution provided by the NSW Fair Trading (**Model Constitution**);
- (b) adopt the Model Constitution with changes; or
- (c) adopt its own Constitution provided that it is in accordance with the requirements of the Associations Act.

Some of the Club's current rules are outdated. For example, according to the rules Club Members must be "amateurs" and must wear a red and black running *singlet* in competition. Committee Members cannot meet by telephone. There are numerous other examples.

The Model Constitution is very basic and is not tailored for an athletics club. If the Club just adopted the Model Constitution it would lose a lot of its established core structure tailored for how it works. It would not be rules for a community athletics club. It might lose recognition as a community athletics club. So, the Club has to make changes to the Model Constitution. Once it starts to do that, it is better to make sure the new constitution works for UTS Norths, rather than try to keep to a Model Constitution just because it is a "model".

Why adopt the proposed Constitution?

There was no efficient way of just amending the current rules. There are too many changes that ought to be made. It was much better to **replace them with a completely new set of rules**.

The word "Constitution" is just the modern name for the articles of association.

The Associations Act's Model Constitution was not suited for an athletics club such as UTS Norths. For example, the Model Constitution has lots of detail about nomination for club Membership, charging \$1 a page for copies of the register, disciplining a Member and it sets out an application form that we could never use. The Model Constitution is really only the most basic document which is better suited for social clubs, not for an established community sports club.

The Australian Sports Commission released (in March 2012) a document called "Governance Principles: A Good Practice Guide". This sets out governance expectations for sporting bodies, from top level national sporting organisations down to grassroots sport clubs. We do not have to adopt all or any of the principles, but we should at least have regard to them against a backdrop of funding to Athletics Australia, ANSW and clubs and their accreditations being increasingly conditional on compliance with improved governance standards.

The proposed Constitution (accompanying this Notice of Meeting):

- is based on some other sporting clubs' modern constitutions;

- complies with the many minimum requirements set out by the Associations Act
- adapts many of the Australian Sports Commission Governance Principles for the Club; and
- adopts other modern features of corporations governance for a sport club.

The matters which are required by the Associations Act to be addressed by the Club's constitution include:

- Membership qualifications
- Register of Members
- Fees, subscriptions etc
- Members' liabilities
- Disciplining of Members
- Internal disputes
- Committee
- Calling of general meetings
- Notice of general meetings
- Procedure at general meetings
- Postal ballots
- Sources of funds
- Management of funds
- Custody of books
- Inspection of books
- Financial year.

Overall, the proposed Constitution sets out a clear, modern framework for governing the affairs of the Club in accordance with emerging standards for sport club of our size. For example:

- committee meetings can be held by circular resolution instead of physical attendance of Members at a committee meeting;
- notices can be sent to Members by email (or Twitter!) or other electronic means, not just postal mail;
- voting in the future can be electronic. This is to help more Members participate if they wish.

An important part of the framework is that most of the powers are clearly with the Committee (that is, the Committee Members acting together as the Committee), as is intended by the Associations Act. The Club is in fact a corporation, though it is an association which happens to be incorporated. This means it ought to operate with governance procedures and standards appropriate for an incorporated association.

Committee Members have significant responsibilities together with significant powers, matched by full accountability to all of the Club's Members.

This is more or less already the case under the current rules, but sometimes by way of very unclear wording. Also, as stated above, what you read in the current rules does not always now actually apply – you have to read the Associations Act *and* the regulations made under it to get the full understanding of how the Club is supposed to operate. If you only used the existing rules, you would be wrong.

Your Club is one the largest athletics clubs in Australia. Our Members' needs change. How we interact with each other and with sporting bodies such as ANSW and Little A's changes over time, especially with social media being used by our Members. Meanwhile, the regulatory burden on clubs increases. The Club's activities within athletics will continue to change, so we need the governance structure to let the Club work with others, such as Councils, other clubs, sporting organisations or suppliers of services to the Club.

Your Committee believes the proposed new Constitution will serve the Club well into the future.

How is the Constitution adopted and approved by Members?

The resolution to adopt and approve the Constitution must be passed as a "special resolution".

This means it must be supported by at least three-quarters of the votes cast by Members who are entitled to vote.

Table of Key Changes

As mentioned above, the proposed Constitution has many changes from the existing rules (even if you ignore the rules imposed over the top of them by the Associations Act and the regulations to the Associations Act).

Here is a summary table of key changes. It is not meant to set out every change or every detail. For those interested, you should read both the Old Rules (available free on request) and the proposed Constitution.

Feature	Comments
Name of Club ¹	The Old Rules do not reflect the name change made in 1994 to introduce "UTS".
Objects ²	<p>Reference to "amateur" in the Old Rules will not be in the proposed Constitution.</p> <p>The reference to in the Old Rules to NSWAAA has been updated to ASNW.</p> <p>The Objects in the proposed Constitution basically have all of those in the Old Rules plus a few more, such as expressly recognising officials. Also, the proposed Constitution does not have the restriction which is currently in the Old Rules that UTSN take part in athletic competitions just by "NSWAAA".</p>
Powers ³	The Old Rules listed powers, which could be a problem (because they are interpreted to be read narrowly) but most of that was overridden by the Act. The proposed Constitution allows the Club to have all the powers allowed by the Act.
Membership ⁴	<p>The Old Rules required people to apply to the Committee. This does not reflect membership applications through ANSW nor does it allow delegation to, say, the Registrar. The proposed Constitution will keep this as the default action but allow other means as well.</p> <p>The membership year in the Old Rules is set as 1 April to 31 March, even though we do not follow that today. The proposed Constitution will omit this and allow it to be set by the Committee.</p> <p>The Old Rules require members to be "amateurs". The proposed Constitution removes this. This recognises the changes to athletics in general and that members might get grants and fare subsidies.</p> <p>The Old Rules set out the membership categories (unless the Committee decides otherwise). They are inconsistent with ANSW categories in numerous ways, so the reason for setting them out in the Old Rules is no longer valid. The lack of some categories, the non-current treatment of "veterans" and the non-recognition of coaches, associates and winter athletes. In fact, the Old Rules allow the Committee to override that, but who knows if that was done properly? The proposed Constitution omits specific categories, leaving it to the Committee, which is what has happened in reality for years.</p> <p>The proposed Constitution would allow:</p> <ul style="list-style-type: none">• greater flexibility in how applications are made;• a little more formality if there is a rejection of an application (due to changing expectations);• flexibility for dealing with renewals (omitted from the Old Rules);• more detail on what it means to be a Members (in anticipation of later there being more at stake due to scholarships, subsidies and awards, as well as potentially dealing with misconduct); and• more detail on transfers, misconduct and disciplining members⁵. The reason for this greater detail is that it will assist the Club to deal with problems by reason of having established rules. One of the problems that arises if the Club ever has to deal with a problem is that the absence of rules on this issue makes it difficult for the Club to defend how it deals with the situation. It is an established feature of sports law that having some reasonable core rules on discipline members avoids or reduces costs, disputes and delays. It is typical for a very small minority to cause a lot of cost and disruption by exploiting the weaknesses in a system. Having no or few rules for dealing with disputes invites that behaviour. Having better rules minimizes that behaviour. We all hope this never arises, but it makes sense to learn from others by

¹ Old Rules 1; proposed Constitution 1(a).

² Old Rules 2; proposed Constitution 3.

³ Old Rules 3; proposed Constitution 4.

⁴ Old Rules 4; proposed Constitution 6 to 12

⁵ See especially proposed Constitution 10 and 11.

Feature	Comments
	having at least a basic set of rules (omitted from the Old Rules).
Uniforms⁶	The Old Rules made it compulsory, with no possibility of change; for the uniform to be red and black running shorts and red and black running singlet. This has been overtaken in reality by not having any rule about shorts, by different tops for women. The proposed Constitution leaves it to the Committee to oversee.
Management⁷	<p>Perhaps the most changes would occur with regard to the rules for internal management of the Club.</p> <p>Overall, there would be no change in that the management is with the Committee.</p> <p>The background to the changes proposed by the proposed Constitution is the emergence of need for greater governance standards. This is reflected in many ways, not just one issue.</p> <p>With more money, members, laws, risks and activities, more has to be done by a Committee and more has to be done efficiently or it will not get done at all.</p> <p>The governance standards expected by the ASC are expected to be adopted by Athletics Australia which in turn wants to see the State bodies adopting it and then so onto the grass roots clubs. So, the proposed Constitution looks to see what is expected of it from its upstream governing bodies.</p> <p>Where there is more money involved, and more complexity, typically organisations need both more capacity to delegate and more flexibility, but also more checks and more accountability.</p> <p>The proposed Constitution has a number of features that are not in the Old Rules, such as (but not limited to):</p> <ul style="list-style-type: none"> the chairperson does not have a casting vote⁸; allowance for two appointed Committee members, mainly to allow for appointment of those with special expertise⁹; greater capacity for terminating the appointment of any Committee member (to deal with real problems instead of having to wait out the year); meetings by any means, not just attendance in person; not requiring a quorum as large as 6; dealing with conflicts of interest; and more detail on delegations, to allow more to be done by special groups of committee members plus others outside of the Committee, even if not a Member of the Club.
General Meetings¹⁰	<p>The main differences between the Old Rules and the proposed Constitution are:</p> <ul style="list-style-type: none"> notices would be able to be sent by electronic means¹¹ (including for special resolutions); no longer need the AGM to vote in a patron of the Club; no longer need the AGM to vote for the Club's delegates to ANSW; no longer need to present special awards at the AGM; no casting vote by the chairman; removal of redundant clause allowing the Club to ask the "Corporate Affairs Commission" to pass a special resolution "in some other way"; and allowing for voting by electronic or remote means.
Audit¹²	The proposed Constitution updates the wording to reflect the requirements of the Act to require auditing if the Club is large enough to be a "Tier 1" association.
Financial Management¹³	<p>The essential controls would not be changed.</p> <p>The proposed Constitution would give more express rules to control what happens, with fewer inconsistencies in the rules, such as getting income from sponsorship or grants¹⁴ and paying them out too.</p>

⁶ Old Rules 7; proposed Constitution 5
⁷ Old Rules 8; proposed Constitution 13 to 21
⁸ This reflects the current governance standards.
⁹ This is a feature of all modern governance structures. The checks on this are the number of appointments that may be made and the time limit on their appointment.
¹⁰ Old Rules 9 to 12; proposed Constitution 22 to 28
¹¹ proposed Constitution 24(c) and 38
¹² Old Rules 15; proposed Constitution 31
¹³ Old Rules 14; proposed Constitution 32

Feature	Comments
	<p>The proposed Constitution has better express controls where there might be a conflict of interest (such as paying a Member for a service or giving grants or bonus to a Member).</p> <p>The proposed Constitution gives more freedom on the <i>mechanics</i> of paying out (e.g., not needing two signatures on a cheque¹⁵, but subject to better internal controls.</p>
Rules	<p>The Old Rules gave the power to make rules and by-laws¹⁶ but do not give any more guidance. The proposed Constitution more expressly deals with this¹⁷. The principles are consistent with sporting body expectations under the new governance principles.</p>

If the proposed Constitution is adopted, then all of it will apply and be valid, even if a detail has not been mentioned in this statement or not fully explained.

Glossary

- AGM** means the annual general meeting convened by this Notice of Meeting.
- Articles of Association** means the current articles of association of the Club, otherwise referred to as the Old Rules.
- Associations Act** means the Associations Incorporations Act 2009 (New South Wales).
- Club** means UTS Northern Suburbs Athletic Club Incorporated (Reg. Y0667511).
- Corporations Act** means the Corporations Act 2001 (Commonwealth).
- Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.
- Member** means a person or body corporate registered in the Register as a Member of the Club.
- Notice of Meeting** or **Notice of AGM** means this notice of annual general meeting including the accompanying Explanatory Statement.
- Old Rules** means the “old rules” – the current rules of the Club as at the time of sending the Notice of Meeting.
- proposed Constitution** means the proposed Constitution accompanying this Notice of Meeting.
- Register** means a register of Members kept and maintained by the Club.
- Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

¹⁴ Old Rules 16(b), (g) conflict with other Old Rules. The conflict is removed but better controls are included in the proposed Constitution.
¹⁵ The Old Rules do not consider the possibility of direct transfers.
¹⁶ Old Rules 3(c)
¹⁷ proposed Constitution 36