

29 January 2025

Ainslie Football Club Incorporated
PO Box 636
MITCHELL ACT 2911

Our Reference
241021

For distribution to Members

Dear Members of the Ainslie Football Club Incorporated,

Update to Club Objects and Rules

We have been instructed by the Board of the Ainslie Football Club Incorporated (**the Club**) to advise on, and draft amendments to, the Club's Objects & Rules. We have also been instructed to prepare a letter to you clarifying the reasons behind the proposed amendments to the Rules.

The primary intentions behind the proposed amendments have been to first, ensure that the Rules accurately reflects the current state of the law as well as the Club's current governance, processes, and business. Secondly, to ensure there is consistency throughout the document in terminology and finally, and perhaps more importantly, to clarify the rights of the Members of the Club.

As a binding contract between the Club, its directors, and its Members, the purpose of the Rules is to ensure all the rights and obligations of its directors and its Members are clear and enforceable. It is designed to give certainty to each party involved in the Club. The Club's Rules should reflect how the organisation is required to be run at present, rather than be an outdated instrument that may have been open to misinterpretation.

Enclosed with the Notice of Annual General Meeting (which also encloses this letter) are two iterations of the Club's Rules with the proposed amendments. One version is in tracked changes (to see all proposed changes), whereas the other is in 'clean copy' for ease of review.

While you will see there are a large number of amendments, they can be grouped into certain categories:

1. clarification of membership categories;
2. inclusion of a dispute resolution rule which is now required by the *Associations Incorporation Act 1991 (ACT)* (**the Act**);
3. inclusion of the right to call and hold meetings (of members and directors) through the use of technology;
4. inclusion of the right to use proxies at meetings of members; and
5. general formatting, merging duplicate rules, and a typographical and grammatical review.

We have set out below the reasoning behind the key amendments to the Rules.

Membership categories

The most obvious change you will see is the terms used to describe the existing categories of membership. It is proposed that the defined terms are changed to ensure they align with the language commonly used amongst Members and staff of the Club, namely:

1. Members or Ordinary Members will now be known as Voting Members;
2. Playing Members remain Playing Members; and
3. There is a separation of 'Life Members' from the description of 'Ordinary Members' so that they form their own class of membership going forward.

Broadly the rights and obligations of Voting Members are not changing. Other than the change of name, the main change is to clarify the admission process.

Rule 2.2(e)(iii) (now deleted) provided that an eligibility criterion for a Voting Member could be a unanimous resolution of the Committee. This was somewhat inconsistent with Rule 3.4 which required (and still requires) applications for all types of Membership to be approved by a Special Resolution of the Committee. To ensure the discretion of the Committee remains, but to avoid any confusion, in Rule 3.4 we have added in the ability for the Committee to admit someone as a Voting Member even where they do not meet the eligibility criteria in Rule 2.2(e)(i) or (ii) but that must be approved by a unanimous resolution of the Committee.

The rights and obligations of Playing Members are not changing.

Broadly, the rights and obligations of Life Members are not changing. There are two key changes:

1. Life Members have been separated out into a separate class of membership to clarify how their rights differ from those of Voting Members; and
2. There are some additional restrictions on how many Life Members can attend a meeting of the Committee (and this is to manage the practical restrictions on meeting room sizes) – see amended rule 5.3.

The reason for separating the classes of membership is to ensure it is clear *what* rights and obligations exist for each class of membership. Hence, the inclusion or amendment of rules 2.5, 2.6, 5.3 and 8.4.

While this has always been the case, we have also clarified that only Voting Members and Life Members have the rights to receive notice of, to attend, and to vote at meetings of members. Playing Members have no such rights, although Playing Members may be invited to meetings of members at the invitation of the Committee. You will see changes to the rules regarding meetings that remove references to "Members" generally to read "Voting Members and/or Life Members". This is to create consistency and clarify that only these two categories of members are entitled to attend and vote at member meetings. See Rules 20.1, 25.2, 26.1 and 35.1 as examples (note this is not an exhaustive list of where we have referred to Voting and Life Members specifically, as opposed to all Members generally, to clarify voting rights).

We have also removed reference to 'Honorary Members' – this was a term used in the heading of Rule 5 but there were no such members, nor any substantive rules governing that purported class of members. Separately, the role of 'Patron' has been clarified by separation into its own rule (rule 6).

Technology

We have introduced new Rules to allow Committee meetings, Sub-Committee meetings, and General Meetings to be called and held through the use of any technology which allows the participants (as a whole) a reasonable opportunity to participate. We have also clarified that resolutions passed by the directors "on the papers" can be (essentially) electronic papers, for example, email correspondence or scanned original signatures. We have also allowed for notices to be served by, or upon, the Club through the use of email. See Rules 19.9 to 19.10, 20.8, 21.5 to 21.7, 22.2, 23.6 to 23.7 and 34.

Despite the inclusion of the use of Technology generally, you will see that under the 'Discipline of Members' there is a deliberate decision that any disciplinary meeting must be held in person, given the seriousness of the disciplinary process (see rule 10.5(c)).

Discipline of Members and Dispute Resolution

The other amendments to the 'Discipline of Members' rule is to clarify:

1. when an adjournment of a discipline meeting can occur (rule 10.5(d)(i));
2. that discipline meetings may not be recorded (rule 10.5(d)(ii)); and
3. how suspensions can be practically implemented (rule 10.11(c)).

We have also included a new rule 11 'Dispute Resolution' as the Act now requires the rules of an association to include a dispute resolution provision. This rule will apply to disputes between Members, or between a Member and the Committee which relate to the Act or the Rules. The dispute resolution provision will not apply to private disputes between individuals who happen to be Members of the Club.

In essence, if there is a dispute, the parties to the dispute must meet to discuss and attempt to resolve the matter within 14 days. If a resolution cannot be reached, a mediator will be appointed to assist with the resolution of the dispute.

Proxies

Proxies are permitted by the Act but were not mentioned previously in the Rules. Currently for Ordinary/Voting Members and Life Members to participate at a general meeting they must be present in person. The Rules did not allow for flexibility for those Members that wish to participate in the decision-making but are not available on the day, unlike numerous other clubs and organisations.

We have included a new Rule 27 which allows Voting Members and Life Members to appoint proxies. It sets out how proxies can be appointed, the voting rights, notice to the Club etc. In addition to the use of the technology provisions, this rule is intended to give the Members flexibility in how and when they attend and participate in General Meetings thereby encouraging member engagement.

Formatting

Finally, we have amended the formatting of the Rules to enable automatic cross-referencing, consistent margins, and font size/type. This is to ensure that any further amendments to the Rules are easily managed in the future.

We hope this satisfactorily provides guidance on the proposed amendments.

Please direct all correspondence to Michael Cawley, President, if you have any queries in relation to the above.

Yours sincerely
BAL LAWYERS



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