Explanatory Note for the Special General Meeting: Proposed new Rules of Association

The Executive Committee of ACT Shelter Incorporated recommends that members vote **in favour** of the special resolution to repeal the current Rules of Association and replace them with the proposed new Rules.

This note explains why the new Rules are proposed, outlines the main changes, and explains how the transition to the new Rules will work.

1. Why new Rules are proposed

ACT Shelter currently operates under the ACT Government's model rules, with some minor variations. These model rules provide a generic governance framework and do not adequately reflect ACT Shelter's particular role, membership structure and governance needs as the peak non-government organisation advocating for housing justice in the ACT.

The proposed new Rules have been developed through a review by ACT Shelter's Governance Subcommittee and the Executive Committee, and legal advice. They are intended to provide a clearer, more appropriate and contemporary governance framework for ACT Shelter. In particular, they aim to:

- better recognise the different types of members, including organisational members;
- simplify the process for joining and participating in the Association;
- provide greater continuity and orderly renewal of the Executive Committee through staggered terms and term limits;
- strengthen governance processes, accountability and procedural fairness; and
- align the Rules with the laws applying to incorporated associations and registered charities.

2. The main changes

The principal changes proposed are summarised below.

Membership

- **Four membership classes:** Individual, Organisational, Reciprocal (for peak bodies with reciprocal membership arrangements) and Honorary. Organisational members will participate through a nominated representative.
- **Simpler application process:** Applicants will no longer need to be nominated or co-signed by an existing member.
- **Membership fees:** The Executive Committee will set fees for each membership class, with provision for part-year fees and hardship waivers. Reciprocal and Honorary members will not pay membership fees.
- **Unfinancial members:** Members whose fees remain unpaid for three months will retain their membership but will lose their voting rights and eligibility to stand for the Executive Committee until their fees are paid. Membership will end only after 12 months of non-payment.
- **Associate status:** The Executive Committee may grant non-voting associate status to supporters who are not members.

Executive Committee

- **Structure:** The Executive Committee will comprise seven elected members serving two-year staggered terms, together with up to two co-opted members.
- **Office bearers:** The Executive Committee will appoint the Chair, Deputy Chair, Secretary and Treasurer from among its members, rather than having members elect these positions directly at the AGM.
- **Term limits:** Members may serve no more than three consecutive terms. A minimum break from Executive Committee service is then required before they can serve again.
- **Co-option:** The Executive Committee may co-opt up to two additional members with skills or experience that would strengthen its capacity. Co-opted members will have voting rights but cannot hold office bearer positions.
- **Fairer removal process:** The grounds for removing an Executive Committee member will be clearer, and the member will have notice of the proposed removal and an opportunity to respond before members vote.

Governance and administration

- **Improved decision-making:** The Executive Committee will be able to make decisions by circular resolution between meetings, subject to specified requirements.
- **CEO and staff:** The Rules will expressly provide for the appointment of a CEO and staff, and for the delegation of functions to the CEO, while reserving key powers to the Executive Committee.
- **Public Officer:** The Rules will expressly provide for the appointment and removal of a Public Officer and the filling of vacancies.
- **Not-for-profit and winding-up provisions:** The new Rules will include provisions governing the use of the Association's income and property and the distribution of surplus assets on winding up, consistent with its charitable status.

The accompanying **Summary of Proposed Changes to the Rules of Association** provides a more detailed comparison of the current and proposed Rules, including the reasons for each substantive change.

3. What will remain unchanged

Important aspects of ACT Shelter's existing governance arrangements will be retained. In particular:

- ACT Shelter's objects will remain unchanged.
- The general meeting quorum will remain five members.
- Each member will continue to have one vote, and proxy voting will remain available.
- Notice periods for general meetings will remain 14 days, or at least 21 days where a special resolution is proposed.
- Dispute resolution and appeal procedures will remain substantially unchanged. The disciplinary framework will also be largely retained, with minor changes to sanctions.

4. Transition to the new Rules

If members pass the special resolution, the following transitional arrangements will apply:

- **Commencement:** The new Rules will take effect when notice of the alteration is lodged with the Registrar-General. This will occur after the 2026 AGM and within one month of the special resolution being passed.

- **2026 AGM:** The AGM will be conducted under the current Rules, including the election of Executive Committee members and office bearers.
- **Current Executive Committee:** The Executive Committee elected at the 2026 AGM, including its office bearers, will continue in office until the 2027 AGM.
- **First election under the new Rules:** At the 2027 AGM, members will elect all seven Executive Committee positions. Four members will be elected for two-year terms and three for one-year terms, establishing the staggered election cycle.
- **Term limits:** Service on the Executive Committee before the new Rules take effect will not count towards the three-term limit.
- **Existing members:** All current members will retain their membership, and will be assigned to the appropriate membership class under the new Rules.

The transitional provisions are included in Part 8 of the proposed Rules (new rules 83–87).

5. The special resolution

Members are being asked to approve the repeal of the current Rules in their entirety and their replacement with the proposed new Rules, as circulated with the meeting notice. This Special Resolution is proposed by the Executive Committee of ACT Shelter Incorporated, in accordance with its powers under section 3.1 and its duty to act in the best interests of the organisation.

The resolution requires at least 75% of the votes cast by members entitled to vote, including members voting at the meeting and by proxy, to be in favour. The resolution will be put to members in the form set out in the accompanying Notice of Special Resolution.

6. Further information

Members are encouraged to read the accompanying Summary of Proposed Changes and the full text of the proposed new Rules before the meeting. Members will also have an opportunity to ask questions and discuss the proposed changes at the Special General Meeting.