



AUSTRALIAN COLLEGE OF RURAL AND REMOTE MEDICINE LIMITED

ACN 078 081 848
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Explanatory Memorandum

Member consultation for adoption of a new Constitution

28 November 2024

This Explanatory Memorandum accompanies the proposed Constitution put forward for member consultation by the Australian College of Rural and Remote Medicine Limited (**College**), as part of its process to modernise and simplify its governance structure.

1 BACKGROUND

In order to meet the ongoing needs of the College, the Board proposes that a new Constitution be adopted. The proposed Constitution will reflect a simplified and modernised version of the current Constitution, and will reflect contemporary good governance and best practice.

This Explanatory Memorandum sets out a summary of the substantive changes between the current and proposed Constitution.

2 SUMMARY OF AMENDMENTS

Membership structure

The proposed changes to the College's membership structure refine and consolidate the existing membership classes for new members. There are no changes to any current member's rights.

Ordinary members are proposed to be renamed general members. General members will comprise medical practitioners working primarily in general practice, primary care, academic practice or who have specialist registration, who support the objects of the College and work primarily in rural and remote medicine.

Organisational members will be removed as the College does not have any current members in this class.

The proposed Constitution introduces a new voting membership class, Associate Fellows, who have been conferred the award of Associate Fellow, having met the standards and requirements of a defined field of expertise or study, as prescribed by the College Board.

It is also proposed that, a new sub-class of Retired/Fellow members be established. Currently, this class are classified as ordinary members, however as they do not pay membership fees, it is proposed to separate this class into a sub-class of affiliate members, who do not hold voting rights. All existing Retired/Fellow members' rights (including voting rights) are not affected.

Affiliate members, being companies, institutions or individuals who are not medical practitioners and support the objects of the College, are proposed to no longer be voting members. Existing affiliate members' rights (including voting rights) are not affected.

Board structure

The current Constitution requires the Board to have a minimum of six and maximum of ten Directors, which comprises of the President, the President-Elect or the Past President (whoever is in office), the Registrar, up to four College Council Appointed Directors, and up to three Board Appointed Directors. There is now one less College Council Appointed Director, which is a result of the introduction of the President-Elect model (described below).

There is also an additional requirement that at least 50% of the total number of Directors at all times must be a Fellow of the College, and that all College Council Appointed Directors (except for the Registrar) must be Fellows of the College.

President-Elect model

The proposed Constitution introduces a President-Elect model, for the purpose of promoting greater sharing of the President's workload and to encourage greater certainty and opportunity around the planning and handover for the succession process.

In this model, a President-Elect is elected by the Members for a one year term. At the end of the term, the President-Elect will move to the position of President, unless the College Council issue a notice at least eight weeks before the annual general meeting that the President-Elect will not continue to the position of President.

If a President-Elect is in office, and a determination is made for the President-Elect not to transition to role of President, a President will be elected in accordance with the election procedures set out for the President-Elect. The President will hold office for a two year term.

At least four weeks prior to the end of the President's term, the College Council will determine whether to appoint the President to the position of Past President. If the College Council choose not to do so, the position of Past President will remain vacant.

The College Council's right to veto a President-Elect's transition to President, and a President's transition to Past President acts as an additional safeguard to ensure ongoing suitability for the role.

Term

Except for the positions associated with the President outlined above, the term of Directors will remain a three-year period, and this applies to the Registrar, and both to Council and Board appointed Directors. Directors will only be able to serve a maximum of nine continuous years before having to step down for a subsequent continuous period of three years. This intends to balance stability, knowledge retention and renewal on the Board.

College Council

The proposed Constitution sets out the role of the College Council. The proposed Constitution reiterates that the College Council acts as an advisory representative body of the members, and is not a committee of the Board. The College Council's role will remain the same.

It is proposed the College Council no longer require at least three representatives from any one state or territory, and the composition includes the Directors on the Board for the time being, and between four and fifteen College Councillors elected or appointed by the Members.

By-laws

As part of the process of simplifying and modernising the College's Constitution, certain procedures set out in the current Constitution are proposed to be moved to By-laws. By-laws sit alongside the Constitution and allow for flexibility as they can be amended without the need for a special resolution.

The types of information that will now be included in By-laws include administrative processes relating to membership admission, the nominations committee, balloting, director and registrar eligibility (including a definition of 'Good Professional Standing') and committees.

Purposes

It is proposed that the College's purposes be updated to more accurately reflect the College's health promotion activities. For example, the language has been updated to highlight the College's focus on preventing and controlling disease. These changes will also give the College, the ability to pursue further registration with the Australian Charities and Not-for-profits Commission (**ACNC**) in the category of Health Promotion Charity.

Compliance with Regulatory Framework

The proposed Constitution accurately reflects the complex regulatory environment that the College operates in, as a charity registered with the ACNC. This includes not only the *Corporations Act 2001* (Cth) (**Act**), but also other legislation which governs the College, comprising:

- *Australian Charities and Not-for-profits Commission Act 2012* (Cth);
- *Charities Act 2013* (Cth); and
- *Income Tax Assessment Act 1997* (Cth).

These are defined as "Relevant Laws" in the proposed Constitution and are referenced throughout to set out the framework with which the College and its Board must comply. The proposed Constitution also aligns the Board's powers with Relevant Laws, and sets out that the Board may exercise all powers conferred on it by the Constitution and the Act, except for those powers that are required to be exercised by the members in general meeting.

Technology

The proposed Constitution includes use of technology provisions to meet requirements under the Act that were introduced during the COVID-19 pandemic. Whilst the current Constitution allows for a meeting to be held using any technology, the changes set out in the proposed Constitution specify that the Board, College Council and Members may hold a technology enabled meeting in a wholly virtual or hybrid format.

Wind-up

The College's surplus assets must be distributed to an eligible recipient upon winding up of the College as required under Relevant Laws. The proposed Constitution introduces the concept of eligible recipients, including who is an eligible recipient and the process of selection.