

Why we need a Special meeting to consider a special resolution about AGM procedures

Background

Friends of Lorne is governed by the Model Rules (Constitution) for not-for-profit organisations overseen by Consumer Affairs Victoria (CAV). The model rules are in essence, *one-size-does-not-quite-fit-all* given that they are intended to be used by a local croquet club as well as by an environment-focused community organisation like ours.

This is usually OK. But if there are procedures peculiar to one's own circumstances, then it is recommended that the Rules be changed to reflect the best fit.

For example, since we were forced to have our first ever AGM by Zoom (in 2020 courtesy of the pandemic) we have kept the practice of calling for nominations for office bearers in advance of the AGM. We did this originally to facilitate the design of an online voting form at the Zoom meeting. Then it just seemed sensible to keep calling for nominations in advance of the meeting. That way we would not have to rely entirely on enticing people on the day from the floor of the meeting.

While not specified that we can call for nominations this way in the Rules, advice from the CAV was that our practice was not precluded by them. But if we wanted to be certain, the CAV suggested should get our own lawyer and get the procedure written into the Rules.

So that is what we are doing. But to make the change takes a special meeting of the members and passing a special resolution to amend the Rules.

Why do we want to be certain? The existing rules say the nominations should be called for at the AGM. Right now, if someone said, "Your president is not valid, or your secretary is not valid, because although they were *elected* at the AGM the nominations were not *called for at the AGM.*" If there was a dispute we could end up at the VCAT. It might be thrown out, for the reason given by the CAV (i.e., not in the Rules, but not precluded by the Rules). Nonetheless the whole thing would be unpleasant and expensive.

That's our legal advice anyway and our legal advice is to fix it. Who might be intent on being so mischievous, you might ask? Happily, we do not know. But in theory, perhaps a mining company (we are on record as against seismic blasting in the Otway Basin) or a development company (we are against over-development in and around Lorne).

We have also made it clear that to vote at the AGM, or to be nominated for the Committee or as an Office Bearer, a member must have paid their subscription fee by one week prior to the AGM.

Our legal advice has been pro bono (i.e. free). Thank you, Jonathan Casson LLM, FAICD, FGIA. Jonathan is lawyer who specialises in not-for-profit organisational governance. Our committee has put a lot of time and thought into this. Given that two of the members brought this to our attention, we consider it best to address it.

So, we propose **a special resolution to "amend the Friends of Lorne constitution to specify steps in the process of calling for nominations for Office Bearers and the Committee in advance of the AGM and for conducting the elections at the AGM as shown in the Appendix B."**

Appendix A in the meeting papers contains the steps in the proposed process.

Appendix B is a marked-up section of the constitution, indicating how it would be enshrined in the Rules.

The Committee's recommendation is that the members vote YES, in favour of the special resolution.

If you have any questions or concerns it would be helpful to let us know in advance so that we may address them, and/or anticipate the discussion if we can. This will save time at the Zoom meeting itself. Contact us on committee@friendsoflorne.org.au

Thank you for patience and support. Friends of Lorne has an important role in Lorne and we are accountable to its members, the CAV, and the broader community for our conduct.