

The members also wanted to ensure that their directors could be drawn from a wider geographical area than previously permitted. Further, they wanted to appoint a non-Indigenous independent director with the right type of skills and experience to serve on their board.

These 'rules' now had to be written into ARDS' proposed rule book and with Hannah Roe's assistance this is exactly what happened. 'I enjoyed helping with the rules and the whole transfer process,' said Hannah, 'and I was delighted to attend the transfer meeting at Galiwinku. It all went very well.'

At the transfer meeting ARDS' language expertise was on full display as concepts were carefully broken down into Yolngu Matha (the local language). It was of the utmost importance that all members understood 'the rules' that were going in the rule book and what transferring to the CATSI Act really meant.

## Looking for an independent director?



**Independent directory is now live:** matching skilled directors to Aboriginal and Torres Strait Islander corporations.

There is a link on the ORIC website that will take you there:



## Why change the rule book?

Some reasons for making changes to your rule book are to:

- improve the way the corporation is run, how decisions are made, or the process for electing directors
- add new activities into the corporation's objectives
- open up membership to another language group or geographical area
- add the use of technology to hold directors' and members' meetings (e.g. teleconference) or distribution of documents to members by email
- make the rules easier to read and understand
- fix a minor error or problem that was missed the last time the rules were updated.



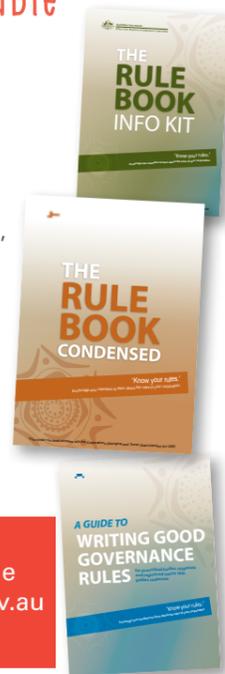
## New model rules and help available

The Registrar provides a range of model rule books at [www.oric.gov.au](http://www.oric.gov.au) to help you draft rules.

As you should do with your rule book, the Registrar has reviewed the most popular model, *The rule book—condensed*, to make sure it is still relevant. It covers the minimum required topics, such as members, meetings, directors, contact person, records, funds and dispute resolution. You can download the new template from [www.oric.gov.au](http://www.oric.gov.au).

You can ask the Registrar's office for help to review changes to your corporation's rule book. For example, checking that your proposed new rules don't conflict with the CATSI Act.

The Registrar also offers corporation-specific training to help corporations re-design their rule books. Ask about workshops: [training@oric.gov.au](mailto:training@oric.gov.au) or 1800 622 431 (freecall except for mobiles).



Australian Government  
Office of the Registrar of Indigenous Corporations

# ORIC Oracle

## Does your rule book need a spring clean?

August 2015

Annual general meeting (AGM) season is underway so now is the perfect time to review and tidy up your corporation's rule book. It may just need a little freshening up— or does it need a complete spring clean?



### Why is the rule book important?

Everything that matters to a corporation is contained in its rule book. It says why the corporation was set up, what its aims are, and how it is to run. By following your rule book, along with your corporation's policies and procedures, you are demonstrating good corporate governance.

### Why clean up the rule book before the AGM?

It's good business practice to review your rule book regularly and before your AGM is ideal. This is because if you want to make changes to your rules, they must be approved by members passing a special resolution. (A special resolution is passed when 75 per cent of the members present and voting at the AGM agree to the proposal.)

### If your business changes so must your rule book

Over time your corporation naturally evolves which means your business activities and how you run them can change too.

Rule books should be updated to:

- **say what the corporation does.** The objectives in your rule book need to reflect the business of your corporation.
- **set out how your corporation is to be run.** If your rule book sets out certain requirements you must follow them, even if they're out of date. This is why it's so important that your rule book keeps in step with the way your corporation wants to work, the requirements of members and directors, and how decisions are made.

Some rule books have been around for a long time. Corporations set their rules when they first register. Some still have the Registrar-initiated rule book from when they transitioned from the old *Aboriginal Councils and Associations Act 1976* to the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*. Those rule books are probably now out of date.

### Can everyone understand and follow the rules?

**It's no good having a rule book that nobody or only a few people can understand.**

Some rule books are overly complicated, which means there's a danger rules may be misinterpreted or ignored. Make sure you don't have too many rules and they are expressed simply and clearly.



Transferred to CATSI. Chairperson Dhanggal-1 Gurruwiwi and CEO Chris Marshall at Galiwinku proudly showing the certificate of registration. Photo: ARDS.

## UNDERSTANDING THE RULE BOOK

The Aboriginal Resource and Development Services (ARDS) Inc. has transferred its registration from the *Associations Act* (NT) to the CATSI Act with a little help from ORIC's regional manager in Darwin, Hannah Roe. Although now officially called the Aboriginal Resource and Development Services Aboriginal Corporation it's still known to everyone by its short name, ARDS.

Based in Galiwinku, which is the largest community on Elcho Island, ARDS has over 40 years' experience in providing Indigenous support. Its main business is developing education and delivering language-based education across northeast Arnhem Land and other parts of northern Australia.

**A big part of the transfer process was making sure that the rule book reflected what was important to the corporation's members.**

The process of transferring to the CATSI Act gave ARDS a chance to review its organisational structure and strengthen its corporate governance. A new structure was later adopted by the members at an AGM.

Do it now.

**Call and hold AGM**

Due between 1 July and 30 November

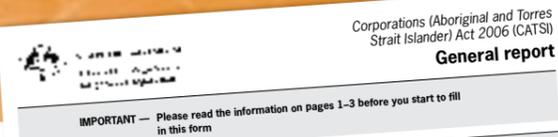
**CHECK** your corporation's rule book about your rules for calling and holding an AGM.

Don't be late!

Lodge 2014–15 reports with the Registrar now.

**lodge online** <https://online.oric.gov.au>

Due between 1 July and 31 December



# How to change your rule book

## Draft a new rule book



Usually the directors, or a working group, review the rule book and draft the changes.

You may want to consider a complete overhaul, that is, a totally new rule book or you might just want to fix a few small errors or make a couple of updates. It's up to you.

ORIC can assist you with reviewing your draft rule book.

## Members vote on it



At the general meeting (which usually is the AGM) members need to pass a special resolution. This means 75 per cent or more of the members present and voting must agree to the proposed rule book changes.

## Tell all the members about it



Directors send to all members and officers:

- a notice of a general meeting
- a copy of the proposed resolution to change the corporation's rule book
- a copy of the proposed rule book changes.

## Get the Registrar's approval

After the general meeting has been held the corporation sends to ORIC:

- a copy of the notice for the meeting
- a copy of the minutes of the meeting which includes the special resolution
- a 'Request to change corporation rule book' form
- a copy of the proposed rule book changes.

The Registrar decides whether to approve proposed rule book changes.

The new rules do not take effect until the Registrar has approved and registered them. Until then, the current rule book applies.



Make sure your rule book is:

**R**ELEVANT—does it reflect what your corporation does? Your goals should be realistic.

**U**P-TO-DATE—when was your rule book last updated? Have your goals changed?

**L**AW—your rule book is a binding contract between your corporation, its directors and its members.

**E**ASY TO UNDERSTAND—can a member pick it up and easily get a picture of the corporation and how it works?

**S**HARED—every member has a right to a copy of the corporation's rule book.

## TIPS .....

- ✓ Keep a copy at the corporation's document access address/ registered office
- ✓ Give a copy to each director of the corporation
- ✓ Give a copy to each member of the corporation