

DENMARK ARTS COUNCIL INCORPORATED

RULES OF THE ASSOCIATION

Effective 26 October 2018

PRELIMINARY

1. Name of Association

The name of the Association is **Denmark Arts Council Incorporated**.

2. Objects of the Association

The objects of the Association are to-

- (a) act as a coordinating body and ambassador for the arts, focused on the Denmark region;
- (b) initiate and facilitate positive creative and cultural experiences for broad populations of people;
- (c) encourage, support and provide opportunities for connection and development through the arts; and
- (d) demonstrate leadership and promote the value, relevance and necessity of the arts and culture in contemporary life.

3. Terms Used

In these rules, unless the contrary intention appears -

Act means *Associations Incorporation Act 2015*

annual general meeting is the meeting convened under rule 52

associate member means a member with the rights referred to in rule 9(6); **association** means the incorporated association to which these rules apply;

books of the Association includes a register, financial records, financial statements or financial reports, a document or any other record of information;

board means the Board of Management of the Association referred to in rule 29

board meeting means a meeting referred to in rule 43;

board member means a person referred to in paragraph (a), (b), (c), (d) or (e) of rule 29 (1);

books of the Association includes a register, financial records, financial statements or financial reports, a document or any other record of;

by-laws means bylaws (if any) made by the Association under rule 66;

chairperson means

- (a) in relation to the proceedings at a board meeting or general meeting, the person presiding at the board meeting or general meeting in accordance with rule 29; or
- (b) other than in relation to the proceedings referred to in paragraph (a), the person referred to in paragraph (a) of rule 29 (1) or, if that person is unable to perform his or her functions, the Deputy Chairperson;

commissioner means the person for the time being designated as the Commissioner under section 153 of the Act;

deputy-Chairperson means the Deputy-Chairperson referred to in paragraph (b) of rule 29 (1);

financial records includes —

- (a) invoices, receipts, orders for the payment of money, electronic financial transactions, bills of exchange, cheques, promissory notes and vouchers
- (b) documents of prime entry, and
- (c) working papers and other documents needed to explain the methods by which financial statements are prepared and adjustments made in preparing financial statements.

financial report has the meaning given in section 63 of the Act;

financial statements means the financial statements in relation to the Association required under Part 5 Division 3 of the Act;

financial year, of the Association, has the meaning given in rule 4;

general meeting means a meeting of the Association that all members are entitled to receive notice of and to attend;

grievance procedure means the procedure set out in rules 21, 22 and 23 for dealing with a dispute;

member means a person (including a body corporate) who is an ordinary member or an associate member of the Association;

ordinary board member means a board member who is not an office holder of the Association under rule 29(3);

ordinary member means a member with the rights referred to in rule 9(5);

ordinary resolution means resolution other than a special resolution;

poll means voting conducted in written form (as opposed to a show of hands);

register of members means the register of members referred to in section 53 of the Act;

rules means these rules of the Association, as in force for the time being;

secretary means the board member holding office as the secretary of the Association as referred to in paragraph (c) of rule 29 (1);

special general meeting means a general meeting other than the annual general meeting;

special resolution means a resolution passed by the members at a general meeting in accordance with section 51 of the Act;

subcommittee means a subcommittee appointed by the committee under rule 50(1)(a);
treasurer means the treasurer referred to in paragraph (d) of rule 29 (1).

4. Financial year

- (1) The financial year of the Association is the period of 12 months commencing on the first day of July of one calendar year and ending on the thirtieth day of June of the following calendar year;
- (2) Each subsequent financial year of the Association is the period of 12 months commencing at the termination of the first financial year or the anniversary of that termination.

5. Not for Profit Body

- (1) The property and income of the Association shall be applied solely towards the promotion of the objects or purposes of the Association and no part of that property or income may be paid or otherwise distributed, directly or indirectly to any member, except in good faith in the promotion of the objects or purposes.
- (2) A payment may be made to a member out of the funds of the Association only if it is authorised under sub-rule (3).
- (3) A payment to a member out of the funds of the Association is authorised if it is —
 - (a) a payment in good faith to the member as reasonable remuneration for any services provided to the Association, or for goods supplied to the Association, in the ordinary course of business, or
 - (b) a payment of interest, on money borrowed by the Association from a member, at a rate not greater than the cash rate published from time to time by the Reserve Bank of Australia, or
 - (c) a payment of reasonable rent to a member for premises leased by the member to the Association, or
 - (d) reimbursement of reasonable expenses properly incurred by a member on behalf of the Association.

6. Powers of Association

The powers conferred on the Association are the same as those conferred by sections 14 and 15 of the Act, so that subject to the Act and any additions, exclusions or modifications inserted below, the Association may do all things necessary or convenient for carrying out its objects and purposes, and in particular, may-

- (a) acquire, hold, deal with and dispose of any real or personal property;
- (b) open and operate bank accounts;
- (c) invest its monies —
 - (i) as trust funds may be invested under the *Trustees Act 1962* Part III; or
 - (ii) in any other manner authorised by the rules of the association;
- (d) borrow money upon such terms and conditions as the Association thinks fit;
- (e) give such security for the discharge of liabilities incurred by the Association as the Association thinks fit;

- (f) appoint agents to transact any business of the Association on its behalf, employ staff and consultants;
- (g) in accordance with sections 15 and 16 of the Act, enter into any other contract it considers necessary or desirable;
- (h) act as trustee and accept and hold real and personal property upon trust, but does not have the power to do any act or thing as a trustee that, if done otherwise as a trustee, would contravene this Act or the rules of the Association; and
- (i) undertake any other lawful activities necessary to carry out the objects of the Association.

MEMBERSHIP

7. Eligibility for membership

- (1) Membership of the Association is open to individuals or groups (or bodies corporate) who are:
 - (a) acceptable to the association, and
 - (b) in agreement with the objects of the association.
- (2) An individual who has not reached the age of 15 years is not eligible to apply for a class of membership that confers full voting rights.

8. Applying for membership

- (1) A person who wants to become a member must apply in writing to the Association.
- (2) The applicant must specify in the application the class of membership to which the application relates.
- (3) A person applying for membership agrees to abide by these Rules, the Association's Code of Conduct and Privacy Policy, and such other rules as may be determined from time to time by the board or a general meeting of members.

9. Classes of Membership

- (1) The Association consists of ordinary members, life members and any associate members provided for under sub-rule (2).
- (2) The Association may have any class of associate membership approved by resolution at a general meeting, including honorary membership and youth membership.
- (3) An individual who has not reached the age of 15 years is only eligible to be an associate member.
- (4) A person can only belong to one class of membership.

- (5) An ordinary member has full voting rights and any other rights conferred on members by these rules or approved by resolution at a general meeting or determined by the board.
- (6) An associate member has the rights referred to in sub-rule (5) but no voting rights.
- (7) The number of members of any class is not limited unless otherwise approved by resolution at a general meeting.

10. Dealing with membership applications

- (1) The board or its authorised officer must consider each application for membership of the Association and decide whether to accept or reject the application.
- (2) Subject to sub-rule (3), the board or its authorised officer must consider applications in the order in which they are received by the Association.
- (3) The board or its authorised officer may delay its consideration of an application if the board considers that any matter relating to the application needs to be clarified by the applicant or that the applicant needs to provide further information in support of the application.
- (4) The board or its authorised officer must not accept an application unless the applicant is eligible under rule 7 and has applied under rule 8.
- (5) The board or its authorised officer may reject an application even if the applicant is eligible under rule 7 and has applied under rule 8.
- (6) The board or its authorised officer must notify the applicant of the board's decision to accept or reject the application as soon as practicable after making the decision.
- (7) If the board rejects the application, the board is not required to give the applicant its reasons for doing so.

11. Becoming a member

An applicant for membership of the Association becomes a member when —

- (1) the board or its authorised officer accepts the application; and
- (2) the applicant pays any membership fees payable to the Association under rule 15.

12. When membership ceases

- (1) A person ceases to be a member when any of the following takes place —
 - (a) for a member who is an individual, the individual dies;
 - (b) for a member who is a body corporate, the body corporate is wound up;
 - (c) the person resigns from the Association under rule 13;
 - (d) the person is expelled from the Association under rule 18;
 - (e) the person ceases to be a member under rule 14(3)

- (2) The secretary must keep a record, for at least one year after a person ceases to be a member, of —
 - (a) the date on which the person ceased to be a member; and
 - (b) the reason why the person ceased to be a member.

13. Resignation

- (1) A member may resign from membership of the Association by giving written notice of the resignation to the secretary.
- (2) The resignation takes effect when the secretary receives the notice; or if a later time is stated in the notice, at that later time.
- (3) A person who has resigned from membership of the Association remains liable for any fees that are owed to the Association (the ***owed amount***) at the time of resignation.
- (4) The owed amount may be recovered by the Association in a court of competent jurisdiction as a debt due to the Association.

14. Rights not transferable

The rights of a member are not transferable and end when membership ceases.

15. Membership fees

- (1) The members may from time to time at a general meeting determine the annual membership fee to be paid by each member.
- (2) The fees determined under sub-rule (1) may be different for different classes of membership.
- (3) A member must pay the annual membership fee to the treasurer, or another person authorised by the board to accept payments, by the first day of July each year unless otherwise determined by the board, and all members are advised of the change prior to the due date.
- (4) A member whose subscription is not paid within three (3) months after the due date fixed by or under sub-rule (3) ceases on the expiry of that period to be a member, unless the board decides otherwise.
- (5) A person exercises all the rights and obligations of a member for the purposes of these rules if his or her subscription is paid on or before the relevant date fixed by or under sub-rule (2) or within three (3) months thereafter, or such time as the board allows.

16. Register of Members

- (1) The secretary, or another person authorised by the board, is responsible for the requirements imposed on the Association under section 53 of the Act to maintain the register of members and record in that register any change in the membership of the Association.

- (2) In addition to the matters referred to in section 53(2) of the Act, the register of members must include the class of membership to which each member belongs and the date on which each member becomes a member.
- (3) The register of members must be kept at the secretary's place of residence, or at another place determined by the board.
- (4) A member who wishes to inspect the register of members must contact the secretary in writing to make the necessary arrangements.
- (5) If —
 - (a) a member inspecting the register of members wishes to make a copy of, or take an extract from, the register under section 54(2) of the Act; or
 - (b) a member makes a written request under section 56(1) of the Act to be provided with a copy of the register of members,the board will require the member to provide a statutory declaration setting out the purpose for which the copy or extract is required and declaring that the purpose is connected with the affairs of the Association.
- (6) The secretary must cause the name of a person who dies or who ceases to be a member under rule 17 to be deleted from the register of members referred to in sub-rule (1).

17. Termination of Membership

Membership of the Association may be terminated upon –

- (a) receipt by the Secretary or another board member of a notice in writing from a member of his or her resignation from the Association. Such a person remains liable to pay to the Association the amount of any subscription due and payable by that person to the Association but unpaid at the date of termination; or
- (b) non-payment by a member of his or her subscription within three (3) months of the date fixed by the board for subscriptions to be paid, unless the board decides otherwise in accordance with rule 15(4) or
- (c) expulsion of a member in accordance with rule 18.

DISCIPLINARY ACTION, DISPUTES AND MEDIATION

In this part *member*, in relation to a member expelled from the Association, includes a former member.

18. Suspension or expulsion of members of Association

- (1) The board may decide to suspend a member's membership or to expel a member from the Association if —
 - (a) the member contravenes any of these rules; or
 - (b) the member acts detrimentally to the interests of the Association.

- (2) The secretary must give the member written notice of the proposed suspension or expulsion at least 30 days before the board meeting at which the proposal is to be considered by the board.
- (3) The notice given to the member must state —
 - (a) when and where the board meeting is to be held; and
 - (b) the grounds on which the proposed suspension or expulsion is based; and
 - (c) that the member, or the member's representative, may attend the meeting and will be given a reasonable opportunity to make written or oral (or both written and oral) submissions to the board about the proposed suspension or expulsion;
- (4) At the board meeting, the board must —
 - (a) give the member, or the member's representative, a reasonable opportunity to make written or oral (or both written and oral) submissions to the board about the proposed suspension or expulsion; and
 - (b) give due consideration to any submissions so made; and
 - (c) decide —
 - (i) whether or not to suspend the member's membership and, if the decision is to suspend the membership, the period of suspension; or
 - (ii) whether or not to expel the member from the Association.
- (5) A decision of the board to suspend the member's membership or to expel the member from the Association takes immediate effect.
- (6) The board must give the member written notice of the board's decision, and the reasons for the decision, within seven (7) days after the board meeting at which the decision is made.
- (7) A member whose membership is suspended or who is expelled from the Association may, within 14 days after receiving notice of the board's decision under sub-rule (6), give written notice to the secretary requesting the appointment of a mediator under rule 24.
- (8) If notice is given under sub-rule (7), the member who gives the notice and the board are the parties to the mediation.

19. Consequences of suspension

- (1) During the period a member's membership is suspended, the member —
 - (a) loses any rights (including voting rights) arising as a result of membership; and
 - (b) is not entitled to a refund, rebate, relief or credit for membership fees paid, or payable, to the Association.
- (2) When a member's membership is suspended, the secretary must record in the register of members —
 - (a) that the member's membership is suspended; and
 - (b) the date on which the suspension takes effect; and
 - (c) the period of the suspension.
- (3) When the period of the suspension ends, the secretary must record in the register of members that the member's membership is no longer suspended.

RESOLVING DISPUTES

20. Grievance procedure

The grievance procedure applies to disputes between members, or between one or more members and the Association.

21. Parties to attempt to resolve dispute

The parties to a dispute must attempt to resolve the dispute between themselves within 14 days after the dispute has come to the attention of each party.

22. Starting a grievance procedure

- (1) If the parties to a dispute are unable to resolve the dispute between themselves within 14 days, any party to the dispute may start the grievance procedure by giving written notice to the secretary of the parties to the dispute, and the matters that are the subject of the dispute.
- (2) Within 28 days after the secretary is given the notice, a board meeting must be convened to consider and determine the dispute.
- (3) The secretary must give each party to the dispute at least seven [7] days' prior written notice of the board meeting at which the dispute is to be considered.
- (4) The notice must state —
 - (a) when and where the board meeting is to be held, and
 - (b) that the party or its representative may attend the meeting and will be given a reasonable opportunity to make a written and/or oral submission to the board about the dispute.
- (5) If the dispute is between one or more members and the Association, and any party to the dispute gives written notice that the party does not agree to the dispute being determined by the board and requests the appointment of a mediator under rule 25, the board must not determine the dispute.

23. Determination of dispute by committee

- (1) At the committee meeting at which a dispute is to be considered and determined, the committee must —
 - (a) give each party to the dispute, or the party's representative, a reasonable opportunity to make a written and/or oral submission to the committee
 - (b) give due consideration to any such submission, and
 - (c) determine the dispute.
- (2) The committee must give each party to the dispute written notice of its determination and the reasons for the determination within seven (7) days after the meeting at which the determination is made.
- (3) A party to the dispute may, within 14 days after receiving notice of the committee's determination give written notice to the secretary requesting the appointment of a mediator under rule 25.
- (4) If notice is given under sub-rule (3), each party to the dispute is a party to the mediation.

24. Mediation

If written notice has been given to the secretary requesting the appointment of a mediator by a member under rule 18(7) or by a party to a dispute under rule 22(5) or 23(3), a mediator must be chosen or appointed under rule 25.

25. Appointment of mediator

- (1) The mediator must be a person chosen —
 - (a) by agreement between the member and the board, if the appointment was requested by a member under rule 18(7), or
 - (b) by agreement between the parties to the dispute, if the appointment was requested by a party to a dispute under rule 22(5) or 23(3).
- (2) If there is no agreement for the purposes of sub-rule (1) then, subject to sub-rules (3) and (4), the board shall appoint the mediator.
- (3) The person appointed by the board as mediator must be a person who acts as a mediator for another not-for-profit body (such as a community legal centre) if the appointment was requested by —
 - (a) a member under rule 18(7); or
 - (b) a party to a dispute under rule 22(5); or
 - (c) a party to a dispute under rule 23(3) and the dispute is between one or more members and the Association.
- (4) The person appointed by the board as mediator may be a member or former member of the Association but must not have a personal interest or bias in the matter that is the subject of the mediation.

26. Mediation process

- (1) The parties to the mediation must attempt in good faith to settle the matter that is the subject of the mediation.
- (2) Each party to the mediation must give the mediator a written statement of the issues that need to be considered at the mediation at least five [5] days before the mediation takes place.
- (3) In conducting the mediation the mediator must —
 - (a) give each party the opportunity to be heard
 - (b) allow each party to give due consideration to any written statement given by another party, and
 - (c) ensure that natural justice is given to the parties throughout the mediation process.
- (4) The mediator cannot determine the matter that is the subject of the mediation.
- (5) The mediation must be confidential, and any information given at the mediation cannot be used in any other proceedings that take place in relation to the matter that is the subject of the mediation.
- (6) The costs of the mediation are to be paid by the party or parties which requested the appointment of the mediator.

27. If mediation results in suspension or expulsion being revoked

If —

- (a) mediation takes place because a member who is suspended or expelled from the Association gives notice under rule 18(7), and
- (b) as the result of mediation the decision to suspend or expel the member is revoked, the revocation does not affect the validity of any decision made at a board meeting or general meeting during the period of suspension or expulsion.

BOARD COMPOSITION, POWER AND DUTIES

28. Powers of the Board

Subject to the Act, these rules, bylaws (if any) and any resolution passed at a general meeting, the board has power to do all things it considers necessary and proper to manage the affairs of the Association.

29. Board of Management

- (1) Subject to sub-rule (9), the affairs of the Association will be managed exclusively by a Board of Management consisting of the following office holders –
 - (a) the Chairperson;
 - (b) the Deputy Chairperson;
 - (c) the Secretary;
 - (d) the Treasurer, and
 - (e) not less than one (1) other person, but not more than 5 other persons, all of whom must be ordinary members of the Association.
- (2) A person may be a board member if the person is —
 - (a) an individual who has reached 18 years of age; and
 - (b) an ordinary member.
- (3) A board member may not hold more than one office listed in sub-rule (1) at the same time.
- (4) A staff member is not eligible to join the board either during their period of employment or for one (1) year after they leave the employ of the association.
- (5) Board members must be elected to membership of the board at an annual general meeting or appointed under sub-rule (9).
- (6) Subject to sub-rule (9), a board member's term will be for two years from his or her election at an annual general meeting until the election referred to in sub-rule (5) at the annual general meeting two years after his or her election, but he or she is eligible for re-election to membership of the board to a maximum of a further two consecutive terms. A person may not hold the office of Chairperson, Deputy Chairperson, Secretary or Treasurer for more than two consecutive terms.
- (7) Nominations for vacancies on the board will be accepted in writing from members prior to the annual general meeting, and from the floor of the meeting.
- (8) A person who is eligible for election or re-election under this rule may –
 - (a) propose or second himself or herself for election or re-election; and
 - (b) vote for himself or herself.

- (9) If the number of persons nominated in accordance with sub-rule (5) for election to membership of the board does not exceed the number of vacancies in that membership to be filled –
 - (a) the Secretary must report accordingly to; and
 - (b) the Chairperson must declare those persons to be duly elected as members of the board at the annual general meeting concerned.
- (10) Where the number of nominations exceeds the number of vacancies on the board, elections for those positions must be conducted.
- (11) If a vacancy remains on the board after the annual general meeting, or when a casual vacancy within the meaning of rule 40 occurs in the membership of the board –
 - (a) the board may appoint a member to fill that vacancy; and
 - (b) a member appointed under this sub-rule will –
 - (i) hold office until the election referred to in sub-rule (2); and
 - (ii) be eligible for election to membership of the board, at the next annual general meeting.
- (12) The board may delegate, in writing, to one or more sub-committees (to include at least one member of the board and be chaired by a member of the board) the exercise of such functions of the board as are specified in the delegation other than –
 - (a) the power of delegation; and
 - (b) a function which is a duty imposed on the board by the Act or any other law.
- (13) Any delegation under sub-rule (11) may be subject to such conditions and limitations as to the exercise of that function or as to time and circumstances as are specified in the written delegation and the board may continue to exercise any function delegated.
- (14) The board may, in writing, revoke wholly or in part any delegation under sub-rule (11).
- (15) In addition to the elected members of the board any group or individual having similar aims may be invited by the board to join, be co-opted by the board to act for a limited time, or may apply to serve on or be co-opted by the board for a limited time. Proposals under this clause are to be decided by simple majority of the board. Co-opted board members will have a deliberative vote.

30. Chairperson and Deputy-Chairperson

- (1) Subject to this rule, the Chairperson must preside at all general meetings and board meetings, but is able to delegate this responsibility to another member of the board on approval of a quorum of the board.
- (2) In the event of an absence from a general meeting of the Chairperson, the Deputy-Chairperson or both the Chairperson and the Deputy-Chairperson, a member elected by the other members present at the general meeting, must preside at the board meeting.
- (3) In the event of the absence from a board meeting of the Chairperson, the Deputy-Chairperson; or both the Chairperson and the Deputy-Chairperson, a board member elected by the other board members present at the board meeting, must preside at the board meeting.

31. Secretary

The Secretary shall –

- (a) deal with the Association's correspondence;
- (b) consult with the chairperson regarding the business to be conducted at each board meeting and general meeting;
- (c) prepare the notices required for meetings and for the business to be conducted at meetings;
- (d) unless another member is authorised by the board to do so, maintain on behalf of the Association the register of members, and record in the register any changes in the membership, as required under section 53(1) of the Act;
- (e) maintain on behalf of the Association an up-to-date copy of these rules, as required under section 35(1) of the Act;
- (f) unless another member is authorised by the board to do so, maintain on behalf of the Association a record of board members and other persons authorised to act on behalf of the Association, as required under section 58(2) of the Act;
- (g) ensure the safe custody of the books of the Association, other than the financial records, financial statements and financial reports, as applicable to the Association;
- (h) maintain full and accurate minutes of board meetings and general meetings;
- (i) carry out any other duty given to the secretary under these rules or by the board.

32. Treasurer

The Treasurer shall –

- (a) ensure that any amounts payable to the Association are collected and issuing receipts for those amounts in the Association's name;
- (b) ensure that any amounts paid to the Association are credited to the appropriate account of the Association, as directed by the committee;
- (c) ensure that any payments to be made by the Association that have been authorised by the committee or at a general meeting are made on time;
- (d) ensure that the Association complies with the relevant requirements of Part 5 of the Act;
- (e) ensure the safe custody of the Association's financial records, financial statements and financial reports, as applicable to the Association;
- (f) coordinate the preparation of the Association's financial report before its submission to the Association's annual general meeting;
- (g) provide any assistance required by an auditor or reviewer conducting an audit or review of the Association's financial statements or financial report under Part 5 Division 5 of the Act; and
- (h) carry out any other duty given to the Treasurer under these rules or by the board..

ELECTION OF BOARD MEMBERS AND TENURE OF OFFICE

33. How members become board members

A member becomes a board member if the member is elected to the board at a general meeting, or is appointed by the board to fill a casual vacancy under rule 40.

34. Nomination of board members

- (1) At least 21 days before an annual general meeting, the secretary must send written notice to all the members calling for nominations for election to the board and stating the date by which nominations must be received.
- (2) A member who wishes to be considered for election to the board must nominate for election by sending written notice to the secretary at least seven [7] days before the annual general meeting.
- (3) The nominee's written notice must include a statement by another member in support of the nomination.
- (4) A member may nominate for one specified position of officeholder or to be an ordinary board member.
- (5) A member whose nomination does not comply with this rule is not eligible for election to the board unless the member is nominated under rule 35 or appointed under rule 36(3)(a) or (b).

35. Election of office holders

- (1) At the annual general meeting, a separate election must be held for each vacant position of office holder of the Association.
- (2) If there is no nomination for a position, the chairperson of the meeting may call for nominations from the ordinary members at the meeting.
- (3) If only one member has nominated for a position, the chairperson of the meeting must declare the Member elected to the position.
- (4) If more than one member has nominated for a position, the ordinary members at the meeting must vote in accordance with procedures that have been determined by the board to decide who is to be elected to the position.
- (5) Each ordinary member present at the meeting may vote for one member who has nominated for the position.
- (6) A member who has nominated for the position may vote for himself or herself.
- (7) On the member's election, the new chairperson of the Association may take over as the chairperson of the meeting.

36. Election of ordinary board members

- (1) At the annual general meeting, the Association must decide by resolution the number of ordinary board members (if any) to hold office for the next year.
- (2) If the number of members nominating for the position of ordinary committee member is not greater than the number to be elected, the chairperson of the meeting —
 - (a) must declare each of those members to be elected to the position; and
 - (b) may call for further nominations from the ordinary members at the meeting to fill any positions remaining unfilled after the elections under paragraph (a).
- (3) If —

- (a) the number of members nominating for the position of ordinary board member is greater than the number to be elected; or
 - (b) the number of members nominating under sub-rule (2)(b) is greater than the number of positions remaining unfilled, the ordinary members at the meeting must vote in accordance with procedures that have been determined by the committee to decide the members who are to be elected to the position of ordinary committee member.
- (4) A member who has nominated for the position of ordinary committee member may vote in accordance with that nomination.

37. Term of office

- (1) The term of office of a board member begins when the member is elected at an annual general meeting under rule 36 or is appointed to fill a casual vacancy under rule 40.
- (2) Subject to rule 40 a board member holds office until the positions on the committee are declared vacant at the next annual general meeting.
- (3) A retiring board member is eligible to be re-elected, subject to rule 29(6).

38. Resignation and removal from office

- (1) A board member may resign from the Board by written notice given to the secretary or, if the resigning member is the secretary, given to the chairperson.
- (2) The resignation takes effect when the notice is received by the secretary or chairperson, or if a later time is stated, at the later time.
- (3) The Association may at a general meeting resolve to —
 - (a) remove a board member from office, and
 - (b) elect a member who is eligible under rule 29(2) to fill the vacancy.
- (4) A committee member who is the subject of a proposed resolution under sub-rule (3)(a) may make written representations (of a reasonable length) to the secretary or chairperson and may ask that the representations be provided to the members.
- (5) The secretary or chairperson may give a copy of the representations to each member or, if they are not so given, the committee member may require them to be read out at the general meeting at which the resolution is to be considered.

39. When membership of the Board ceases

A person ceases to be a board member if the person —

- (a) fails to attend three [3] consecutive committee meetings, of which the person has been given notice, without having give his or her apology in advance for non-attendance the committee he or she will be unable to attend;
- (b) resigns from the board or is removed from office under rule 38;
- (c) becomes ineligible under section 39 of the Act;
- (d) becomes permanently unable to act as a board member because of a mental or physical disability, or
- (e) dies.

40. Filling casual vacancies

- (1) The board may appoint a member who is eligible under rule 29(2) to fill a position on the board that has become vacant under rule 39, or was not filled by election at the most recent annual general meeting or under rule 38(3)(b).
- (2) If the position of secretary becomes vacant, the board must appoint a member who is eligible under rule 29(2) to fill the position within 14 days after the vacancy arises.
- (3) Subject to the requirement for a quorum under rule 47, the board may continue to act despite any vacancy in its membership.
- (4) If there are fewer board members than required for a quorum under rule 47 the board may act only for the purpose of appointing board members under this rule, or convening a general meeting.

41. Validity of acts

The acts of a board or sub-committee, or board member or sub-committee member, are valid despite any defect that may afterwards be discovered in the election, appointment or qualification of a board member or member of a sub-committee.

42. Payments to Board members

A board member is entitled to be paid out of the funds of the Association for any out-of-pocket expenses for travel and accommodation properly incurred by attending a board meeting or general meeting held outside the Shire of Denmark, or otherwise in connection with Association business.

BOARD MEETINGS

43. Board Meetings

- (1) The board must meet at least eight (8) times in each year on the dates and at the times and places determined by the board.
- (2) The date, time and place of the first board meeting must be determined by the board members as soon as practicable after the annual general meeting at which the board members are elected.
- (3) Special board meetings may be convened by the chairperson or any two (2) board members.

44. Notice of Board meetings

- (1) Notice of each board meeting must be given to each board member at least 48 hours before the time of the meeting.
- (2) The notice must state the date, time and place of the meeting and must describe the general nature of the business to be conducted at the meeting.
- (3) Unless sub-rule (4) applies, the only business that may be conducted at the meeting is the business described in the notice.

- (4) Urgent business that has not been described in the notice may be conducted at the meeting if the board members at the meeting unanimously agree to treat that business as urgent.

45. Procedure and Order of Business

- (1) The chairperson or, in the chairperson's absence, the deputy-chairperson must preside as chairperson of each board meeting.
- (2) If the chairperson and deputy chairperson are absent or are unwilling to act as chairperson of a meeting, the board members at the meeting must choose one of them to act as chairperson of the meeting.
- (3) The procedure to be followed at a board meeting must be determined from time to time by the board.
- (4) The order of business at a board meeting may be determined by the board members at the meeting.
- (5) A board member having any direct or indirect pecuniary interest in a contract or proposed contract made by, or in the contemplation of, the board (except if the pecuniary or other interest exists only by virtue of the fact that the member of the board is a member of a class of persons for whose benefit the Association is established), must-
 - (a) as soon as he or she becomes aware of that interest, disclose the nature and extent of his or interest to the board; and
 - (b) not take part in any deliberations or decisions of the board with respect to that contract.
- (6) The secretary must cause every disclosure made under sub-rule 5(a) by a member of the board to be recorded in the minutes of the meeting of the board at which it is made.
- (7) A member or other person who is not a board member may attend a board meeting if invited to do so by the board.
- (8) A person invited under sub-rule (7) to attend a board meeting —
 - (a) has no right to any agenda, minutes or other document circulated at the meeting; and
 - (b) must not comment about any matter discussed at the meeting unless invited by the board to do so; and
 - (c) cannot vote on any matter that is to be decided at the meeting.

46. Use of technology to be present at Board meetings

- (1) The presence of a board member at a board meeting need not be by attendance in person but may be by that board member and each other board member at the meeting being simultaneously in contact by telephone or other means of instantaneous communication.
- (2) A member who participates in a board meeting as allowed under sub-rule (1) is taken to be present at the meeting and, if the member votes at the meeting, the member is taken to have voted in person.

47. Quorum for Board meetings

- (1) At a board meeting four (4) board members, at least one of whom must be an office bearer, shall constitute a quorum.
- (2) Subject to rule 40(4), no business is to be conducted at a board meeting unless a quorum is present.
- (3) If a quorum is not present within 30 minutes after the notified commencement time of a board meeting —
 - (a) in the case of a special meeting — the meeting lapses; or
 - (b) otherwise, the meeting is adjourned to the same time, day and place in the following week.
- (4) If —
 - (a) a quorum is not present within 30 minutes after the commencement time of a board meeting held under sub-rule (3)(b); and
 - (b) at least 3 board members are present at the meeting, those members present are taken to constitute a quorum.

48. Voting at Board meetings

- (1) Each board member present has one vote on any question arising at the meeting.
- (2) A motion is carried if a majority of the board members present vote in favour of the motion.
- (3) If the votes are divided equally the chairperson has a second or casting vote.
- (4) A vote may take place by show of hands, unless the board decides that a secret ballot is needed.
- (5) If a secret ballot is needed the chairperson of the meeting must decide how the ballot is to be conducted.

49. Minutes of Board meetings

- (1) The board will take and keep minutes of each board meeting.
- (2) The minutes will record the following —
 - (a) the names of the board members present
 - (b) the name of any other person attending the meeting under rule 45(5)
 - (c) business dealt with at the meeting, and
 - (d) any motion on which a vote is taken, and the result.
- (3) The minutes of a board meeting must be entered in the Association's minute book within thirty [30] days after the meeting is held.
- (4) The chairperson must ensure that the minutes of a board meeting are reviewed and signed as correct by the chairperson of the meeting, or the chairperson of the next board meeting.

- (5) When the minutes of a board meeting have been signed as correct they are, until the contrary is proved, evidence that —
 - (a) the meeting to which the minutes relate was duly convened and held
 - (b) the matters recorded as having taken place at the meeting took place as recorded, and
 - (c) any appointment purportedly made at the meeting was validly made.

SUB-COMMITTEES AND SUBSIDIARY OFFICES

50. Sub-committees and subsidiary offices

- (1) To help the board in the conduct of Association business, the board may, in writing appoint one or more sub-committees, and/or create one or more subsidiary offices and appoint people to those offices.
- (2) A sub-committee will comprise the number of people, whether members of the Association or not that the board considers appropriate.
- (3) A person may be appointed to a subsidiary office whether or not the person is a member.
- (4) Subject to any directions given by the board —
 - (a) a sub-committee may meet and conduct business as it considers appropriate
 - (b) the holder of a subsidiary office may carry out the functions given to the holder as the holder considers appropriate.

51. Delegation to sub-committees and holders of subsidiary offices

- (1) The board may, in writing delegate to a sub-committee or the holder of a subsidiary office the exercise of any power or the performance of any duty of the board other than —
 - (a) the power to delegate, and
 - (b) a non-delegable duty, as imposed on the board by the Act or another written law.
- (2) A power or duty delegated to a sub-committee or the holder of a subsidiary office under this rule must be exercised or performed in accordance with the terms of the delegation.
- (3) The delegation may be made subject to conditions, qualifications, limitations or exceptions that the board specifies in the document by which the delegation is made.
- (4) The delegation does not prevent the board from exercising or performing at any time the power or duty delegated.
- (5) Any delegated act or thing done by a sub-committee or the holder of a subsidiary office has the same force and effect as if it had been done by the board.
- (6) The board may, in writing, amend or revoke the delegation at any time.

GENERAL MEETINGS OF THE ASSOCIATION

52. Annual General Meeting

- (1) The board shall determine the time, date and place of the annual general meeting.

- (2) If it is proposed to hold the annual general meeting more than six [6] months after the end of the financial year, the secretary must apply to the Commissioner under section 50(3)(b) of the Act within four [4] months after the end of the financial year.
- (3) The ordinary business of the annual general meeting is to —
 - (a) confirm the minutes of any general meetings held since the previous annual general meeting, if the minutes of those meetings have not yet been confirmed;
 - (b) receive and consider —
 - (i) the board's annual report on the Association's activities during the preceding financial year,
 - (ii) the financial report of the Association for the preceding financial year presented under Part 5 of the Act,
 - (iii) if required to be presented for consideration under Part 5 of the Act, a copy of the report of the review or auditor's report of the financial statements or financial report,
 - (c) elect the officeholders of the Association and other board members, and
 - (d) confirm or vary the annual subscription and any other fees to be paid by members.
- (4) Any other business of which notice has been given in accordance with these rules may be conducted at the annual general meeting.

53. Special General Meetings

- (1) The board may convene a special general meeting.
- (2) The board must convene a special general meeting if at least 20% of the members require a special general meeting to be convened.
- (3) The members requiring a special general meeting to be convened must —
 - (a) make the requirement by written notice given to the secretary; and
 - (b) state in the notice the business to be considered at the meeting; and
 - (c) each sign the notice.
- (4) The special general meeting must be convened within 28 days after notice is given under sub-rule (3)(a).
- (5) If the committee does not convene a special general meeting within that 28 day period, the members making the requirement (or any of them) may convene the special general meeting.
- (6) A special general meeting convened by members under sub-rule (5) —
 - (a) must be held within three (3) months after the date the original requirement was made; and
 - (b) may only consider the business stated in the notice by which the requirement was made.
- (7) The Association must reimburse any reasonable expenses incurred by the members convening a special general meeting under sub-rule (5).

54. Notice of general meetings

- (1) The secretary or, in the case of a special general meeting convened under rule 53(5)), the members convening the meeting, must give to each member —

- (a) at least 21 days' notice of a general meeting if a special resolution is to be proposed at the meeting; or
 - (b) at least 14 days' notice of a general meeting in any other case.
- (2) The notice must —
- (a) specify the date, time and place of the meeting; and
 - (b) indicate the general nature of each item of business to be considered at the meeting; and
 - (c) if the meeting is the annual general meeting, include the names of the members who have nominated for election to the board under rule 34(2); and
 - (d) if a special resolution is proposed —
 - (i) set out the wording of the proposed resolution as required by section 51(4) of the Act; and
 - (ii) state that the resolution is intended to be proposed as a special resolution; and
 - (iii) comply with rule 55(6).

55. Proxies

- (1) Subject to sub-rule (2), an ordinary member may appoint an individual who is an ordinary member as his or her proxy to vote and speak on his or her behalf at a general meeting.
- (2) An ordinary member may be appointed the proxy for not more than three (3) other members.
- (3) The appointment of a proxy must be in writing using the board approved proxy form clearly identifying the person appointed as proxy and signed by the member making the appointment.
- (4) The member appointing the proxy may give specific directions as to how the proxy is to vote on his or her behalf.
- (5) If no instructions are given to the proxy, the proxy may vote on behalf of the member in any matter as the proxy sees fit.
- (6) Notice of a general meeting given to an ordinary member under rule 54 must —
 - (a) state that the member may appoint an individual who is an ordinary member as a proxy for the meeting; and
 - (b) include a copy of any form that the board has approved for the appointment of a proxy.
- (7) A form appointing a proxy must be given to the secretary before the commencement of the general meeting for which the proxy is appointed.
- (8) An approved form appointing a proxy becomes invalid if it is received by the secretary less than 24 hours before the scheduled date of the meeting.

56. Use of technology to be present at general meetings

Members are not permitted to attend or participate in a general meeting by telephone or other means of instantaneous communication and must be present in person or by proxy, in accordance with Rule 55, to participate in the meeting.

57. Presiding member and quorum for general meetings

- (1) The chairperson or, in the chairperson's absence, the deputy chairperson must preside as chairperson of each general meeting.
- (2) If the chairperson and deputy chairperson are absent or are unwilling to act as chairperson of a general meeting, the board members at the meeting must choose one of them to act as chairperson of the meeting.
- (3) At a general meeting twelve (12) members or more present in person shall constitute a quorum
- (4) No business is to be conducted at a general meeting unless a quorum is present.
- (5) If a quorum is not present within 30 minutes after the notified commencement time of a general meeting —
 - (a) in the case of a special general meeting — the meeting lapses; or
 - (b) in the case of the annual general meeting — the meeting is adjourned to —
 - (i) the same time and day in the following week; and
 - (ii) the same place, unless the chairperson specifies another place at the time of the adjournment or written notice of another place is given to the members before the day to which the meeting is adjourned.
- (6) If —
 - (a) a quorum is not present within 30 minutes after the commencement time of an annual general meeting held under sub-rule (5)(b); and
 - (b) at least 2 ordinary members are present at the meeting, those members present are taken to constitute a quorum.

58. Adjournment of general meeting

- (1) The chairperson of a general meeting at which a quorum is present may, with the consent of a majority of the members present adjourn the meeting to another time at the same place or another place.
- (2) Without limiting sub-rule (1) a meeting may be adjourned if there is insufficient time to deal with the business at hand, or to give members more time to consider an item of business.
- (3) No business may be conducted on the resumption of an adjourned meeting other than any business which remained unfinished when the meeting was adjourned.
- (4) Notice of the adjournment of a meeting under this rule is not required unless the meeting is adjourned for 14 days or more, in which case notice of the meeting must be given in accordance with rule 54.

59. Voting at a general meeting

- (1) On any question arising at a general meeting –
 - (a) each ordinary member present has one vote unless the member may also vote on behalf of a body corporate or as permitted by sub-rule (2);
 - (b) ordinary members may vote personally or by proxy.
- (2) An ordinary member that is a body corporate may appoint, in writing, an individual, whether or not the individual is a member, to vote on behalf of the body corporate on

any question at a particular general meeting or at any general meeting, as specified in the document by which the appointment is made.

- (3) An appointment made under sub-rule (2) must be made by a resolution of the governing body of the body corporate concerned and authenticated under the common seal of that body corporate.
- (4) copy of such resolution must be lodged with the secretary before any general meeting to which the appointment applies.
- (5) The appointment has effect until —
 - (a) the end of any general meeting to which the appointment applies; or
 - (b) the appointment is revoked by the body corporate and written notice of the revocation is given to the secretary.
- (6) Except in the case of a special resolution, a motion is carried if a simple majority of the ordinary members present vote in favour of the motion.
- (7) If votes are divided equally on a question, the chairperson of the meeting has a second or casting vote.
- (8) If the question is whether or not to confirm the minutes of a previous general meeting, only members who were present at that meeting may vote.
- (9) For a person to be eligible to vote at a general meeting as an ordinary member or on behalf of an ordinary member that is a body corporate, the person must have —
 - (a) been an ordinary member at the time notice of meeting was given, and
 - (b) paid any membership fee or other money payable to the Association.

60. When special resolutions are required

- (1) Without limiting the matters for which a special resolution may be proposed, a special resolution is required when —
 - (a) altering the rules of the Association, including changing the name and objects
 - (b) transferring incorporation status
 - (c) amalgamating with another association
 - (d) voluntarily winding up the Association
 - (e) voluntarily cancelling the Association's incorporation, and
 - (f) requesting the Commissioner to apply to the State Administrative Tribunal under section 109 of the Act for the appointment of a statutory manager.
- (2) A special resolution may be presented to and dealt with only by a general meeting called in accordance with rule 54.

61. Determining whether resolution carried

- (1) In this rule – *poll* means the process of voting in relation to a matter that is conducted in writing.
- (2) Subject to sub-rule (4) the chairperson of a general meeting may, on the basis of general agreement or disagreement or by a show of hands, declare that a resolution has been —
 - (a) carried;
 - (b) carried unanimously;
 - (c) carried by a particular majority, or

- (d) lost.
- (3) If the resolution is a special resolution, the declaration under sub-rule (2) must identify the resolution as a special resolution.
- (4) If a poll is demanded on any question by the chairperson of the meeting or by at least three [3] other ordinary members present in person or by proxy —
 - (a) the poll must be taken at the meeting in the manner determined by the chairperson, and
 - (b) the chairperson must declare the determination of the resolution on the basis of the poll.
- (5) If a poll is demanded on the election of the chairperson or on a question of an adjournment, the poll must be taken immediately.
- (6) If a poll is demanded on any other question, the poll must be taken before the close of the meeting at a time determined by the chairperson.
- (7) A declaration under sub-rule (2) or (4) must be entered in the minutes of the meeting, and the entry is, without proof of the voting in relation to the resolution, evidence of how the resolution was determined.

62. Minutes of general meetings

- (1) The secretary, or a person authorised by the board from time to time must take and keep minutes of each general meeting.
- (2) The minutes must record the business considered at the meeting, any resolution on which a vote is taken, and the result of any vote.
- (3) The minutes of each annual general meeting must also record —
 - (a) the names of members attending the meeting in person
 - (b) the number of valid proxy forms submitted
 - (c) any financial statements or financial report presented, and
 - (d) any report of a review or auditor's report presented.
- (4) The minutes of a general meeting must be entered in the Association's minute book within 30 days after the meeting is held.
- (5) The chairperson must ensure that the minutes of a general meeting are reviewed and signed as correct by —
 - (a) the chairperson of the meeting, or
 - (b) the chairperson of the next general meeting.
- (6) When the minutes of a general meeting have been signed as correct they are, in the absence of evidence to the contrary, taken to be proof —
 - (a) that the meeting to which the minutes relate was duly convened and held
 - (b) that the matters recorded as having taken place at the meeting took place as recorded, and
 - (c) of the validity of an election or appointment purportedly made at the meeting.

FINANCIAL MATTERS

63. Source of funds

The funds of the Association may be derived from entrance fees, annual subscriptions, donations, fund-raising activities, grants, interest and any other sources approved by the board.

64. Control of funds

- (1) The Association must open an account in the name of the Association with a financial institution from which all expenditure of the Association is made and into which all funds received by the Association are deposited.
- (2) Subject to any restrictions imposed at a general meeting, the board may approve expenditure on behalf of the Association.
- (3) The board may authorise the treasurer to expend funds on behalf of the Association up to a specified limit without requiring approval from the board for each item on which the funds are expended.
- (4) All cheques, drafts, bills of exchange, promissory notes and other negotiable instruments of the Association must be signed by —
 - (a) two board members; or
 - (b) one board member and a person authorised by the board.
- (5) All funds of the Association must be deposited into the Association's account within 5 working days after their receipt.

65. Financial statements and financial reports

- (1) For each financial year, the board must ensure that the requirements imposed on the Association under Part 5 of the Act relating to the financial statements or financial report of the Association are met.
- (2) Without limiting sub-rule (1), those requirements include —
 - (a) the preparation of the financial report; and
- (b) if required, the review or auditing of the financial statements or financial report, as applicable; and
 - (c) the presentation to the annual general meeting of the financial statements or financial report, as applicable; and
 - (d) if required, the presentation to the annual general meeting of the copy of the report of the review or auditor's report, as applicable, on the financial statements or financial report.

GENERAL MATTERS

66. By-Laws

- (1) The Association may, by resolution at a general meeting, make, amend or revoke by-laws.
- (2) By-laws may —
 - (a) provide for the rights and obligations that apply to any classes of associate membership approved under rule 9(2); and
 - (b) impose restrictions on the board's powers, including the power to dispose of the association's assets; and

- (c) impose requirements relating to the financial reporting and financial accountability of the association and the auditing of the association's accounts; and
 - (d) provide for any other matter the association considers necessary or convenient to be dealt with in the by-laws.
- (3) A by-law is of no effect to the extent that it is inconsistent with the Act, the regulations or these rules.
 - (4) Without limiting sub-rule (3), a by-law made for the purposes of sub-rule (2)(c) may only impose requirements on the Association that are additional to, and do not restrict, a requirement imposed on the Association under Part 5 of the Act.
 - (5) At the request of a member, the Association must make a copy of the by-laws available for inspection by the member.

67. Executing documents and common seal

- (1) The Association must have a common seal —
 - (a) the name of the Association must appear in legible characters on the common seal; and
 - (b) a document may only be sealed with the common seal by the authority of the board and in the presence of —
 - (i) two board members; or
 - (ii) one board member and a person authorised by the board,and each of them is to sign the document to attest that the document was sealed in their presence.
- (2) The Association may execute a document without using a common seal if the document is signed by —
 - (a) one board member; or
 - (b) a person authorised by the board for that document.
- (3) The secretary must make a written record of each use of the common seal.
- (4) The common seal must be kept in the custody of the secretary or such other person as the board from time to time decides.

68. Giving notices to members

- (1) In this rule —
recorded means recorded in the register of members.
- (2) A notice or other document that is to be given to a member under these rules is taken not to have been given to the member unless it is in writing and —
 - (a) delivered by hand to the recorded address of the member; or
 - (b) sent by prepaid post to the recorded postal address of the member; or
 - (c) sent by facsimile or electronic transmission to an appropriate recorded number or recorded electronic address of the member.

69. Custody of books and securities

- (1) Subject to sub-rule (2), the books and any securities of the Association must be kept in the secretary's custody or under the secretary's control.

- (2) The financial records and, as applicable, the financial statements or financial reports of the Association must be kept in the treasurer's custody or under the treasurer's control.
- (3) Sub-rules (1) and (2) have effect except as otherwise decided by the board.
- (4) The books of the Association must be retained for at least 7 years.

70. Record of office holders

The record of board members and other persons authorised to act on behalf of the Association that is required to be maintained under section 58(2) of the Act must be kept in the secretary's custody or under the secretary's control.

71. Inspection of records and documents

- (1) Sub-rule (2) applies to a member who wants to inspect —
 - (a) the register of members under section 54(1) of the Act; or
 - (b) the record of the names and addresses of board members, and other persons authorised to act on behalf of the Association, under section 58(3) of the Act; or
 - (c) any other record or document of the association.
- (2) The member must contact the secretary to make the necessary arrangements for the inspection.
- (3) The inspection must be free of charge.
- (4) If the member wants to inspect a document that records the minutes of a board meeting, the right to inspect that document is subject to any decision the board has made about minutes of board meetings generally, or the minutes of a specific board meeting, being available for inspection by members.
- (5) The member may make a copy of or take an extract from a record or document referred to in sub-rule (1)(c) but does not have a right to remove the record or document for that purpose.
- (6) The member must not use or disclose information in a record or document referred to in sub-rule (1)(c) except for a purpose —
 - (a) that is directly connected with the affairs of the Association; or
 - (b) that is related to complying with a requirement of the Act.

72. Publication by board members of statements about Association business prohibited

A board member must not publish, or cause to be published, any statement about the business conducted by the Association at a general meeting or board meeting unless —

- (a) the board member has been authorised to do so at a board meeting; and
- (b) the authority given to the board member has been recorded in the minutes of the board meeting at which it was given.

73. Alteration of Rules

- (1) The Association may alter or rescind these rules, or make rules additional to these rules, in accordance with the procedure set out in sections 17, 18 and 19 of the Act, which is as follows —

- (a) Subject to sub-rule (1) (d) and (1) (e), the Association may alter its rules by special resolution but not otherwise;
 - (b) Within one month of the passing of a special resolution altering its rules, or such further time as the Commissioner may in a particular case allow (on written application by the Association), the Association must lodge with the Commissioner notice of the special resolution setting out particulars of the alteration together with a certificate given by a member of the board certifying that the resolution was duly passed as a special resolution and that the rules of the Association as so altered conform to the requirements of this Act;
 - (c) An alteration of the rules of the Association does not take effect until sub-rule (1) (b) is complied with;
 - (d) An alteration of the rules of the Association having effect to change the name of the association does not take effect until sub-rules (1) (a) to (1) (c) are complied with and the approval of the Commissioner is given to the change of name.
 - (e) An alteration of the rules of the Association having effect to alter the objects or purposes of the association does not take effect until sub-rules (1) (a) to (1) (c) are complied with and the approval of the Commissioner is given to the alteration of the objects or purposes.
- (2) These rules bind every member and the Association to the same extent as if every member and the Association had signed and sealed these rules and agreed to be bound by all their provisions.

74. Indemnity

Every board member and other office of the association is entitled to be compensated out of the property of the association against any debt incurred by the board member or office in defending any legal proceedings in which judgment is given in favour of the board member or officer, or in which the board member or officer is found to be not guilty.

75. Appointment of auditors

- (1) The board shall appoint an auditor who is not a member of the Association, who shall audit the accounts and records of the Association annually and the Treasurer shall present to the annual general meeting a report of the financial position of the Association.
- (2) The board shall give to the auditor at all reasonable times full access to the Association's books and accounts and afford the auditor every facility for the purpose of making a correct audit of the Association's financial affairs.

76. Distribution of surplus property on cancellation of incorporation or winding up of Association

- (1) In this rule —
surplus property, in relation to the Association, means property remaining after satisfaction of —
 - (a) the debts and liabilities of the Association; and

- (b) the costs, charges and expenses of winding up or cancelling the incorporation of the Association,
but does not include books relating to the management of the Association.
- (2) The Association shall not be voluntarily dissolved except by special resolution at a general meeting called for that purpose of which not less than twenty-eight (28) days written notice including notice of proposed dissolution has been given to all members, and notice is lodged with the Commissioner within fourteen (14) days of the passing of the resolution.
- (3) If upon the winding up or dissolution of the Association there remains after satisfaction of all its debts and liabilities any property whatsoever, the same must not be paid to or distributed among the members, or former members. The surplus property must be given or transferred to another association incorporated under the Act which has similar objects and which is not carried out for the purposes of profit or gain to its individual members, and which association shall be determined by resolution of the members. A distribution plan shall be prepared and also submitted to the Commissioner.
- (4) On the cancellation of the incorporation or the winding up of the Association, its surplus property must be distributed as determined by special resolution by reference to the persons mentioned in section 24(1) of the Act.

77. Establishment of a Public Fund

- (1) The Association will establish and maintain a public fund into which:
 - (a) Donations will be deposited into the public fund listed on the Register of Cultural Organisations. These monies (including interest accrued thereon) will be kept separate from other funds of the Association and will only be used to further the principal purpose of the Association. No other monies or property will be received into the fund. No monies from the fund will be granted or loaned to other bodies. Investment of monies in this fund will be made in accordance with guidelines for public funds as specified by the Australian Taxation Office.
 - (b) The fund will be administered by a management board or a sub-committee of the management board, the majority of whom, because of their tenure of some public office or their professional standing, have an underlying community responsibility, as distinct from obligations solely in regard to the cultural objectives of Denmark Arts Council Inc.
 - (c) No monies/assets in this fund will be distributed to members, staff or office bearers of the Association, except as reimbursement of out-of-pocket expenses incurred on behalf of the fund or proper remuneration for services.
 - (d) The Department responsible for the administration of the Register of Cultural Organisations will be notified of any proposed amendments or alterations to provisions for the public fund, to assess the effect of any amendments on the public fund's continuing Deductible Gift Recipient status.
 - (e) Receipts for gifts to the public fund will be signed by a person authorized to act on behalf of the fund, and state:
 - (i) the name of the public fund and that the receipt is for a gift made to the public fund;

- (ii) that the fund is listed on the Register of Cultural Organisations maintained under Sub-division 30-B of the *Income Tax Assessment Act 1997*;
 - (iii) the Australian Business Number and name of the Association;
 - (iv) the name of donor, type of donation (money or property) and value; and
 - (v) any other matter required to be included on the receipt pursuant to the requirements of the *Income Tax Assessment Act 1997*.
 - (f) The Association will comply with any rules that the Treasurer and the Minister responsible for the Arts make to ensure that the gifts made to the fund are used only for its principal purpose.
 - (g) The Association will give the Secretary of the Department of Local Government, Sport and Cultural Activities or its successor Department, at intervals of six months, statistical information about the gifts made to the public fund during the last six months.
- (2) If upon the winding-up or dissolution of the Association or the public fund listed on the Register of Cultural Organisations, there remains after satisfaction of all its debts and liabilities, any property or funds, the property or funds shall not be paid or distributed among its members, but shall be given or transferred to some other fund, authority or institution having objects similar to the objects of this public fund, and whose rules shall prohibit the distribution of its or their income among its or their members, such fund, authority or institution to be eligible for tax deductibility of donations under Subdivision 30-B, section 30-100, of the Income Assessment Act of 1977 (the Act) and listed on the Register of Cultural Organisations maintained under the Act.