

# Victorian Chamber – Summary of New Constitution and Association Rules

This document sets out a summary of some of the key principles of the governing documents in respect of Victorian Chamber of Commerce and Industry (**VCCI**):

- (a) the proposed new rules to be adopted on VCCI's registration as incorporated association under the AIR Act (**Association Rules**), and which will replace the existing rules of VCCI that apply as a body corporate established under the *Fair Work (Registered Organisations) Act 2009* (Cth) (**Existing Rules**) prior to registration as an incorporated association; and
- (b) the proposed new constitution to be adopted once VCCI transfers from an incorporated association under the AIR Act to a company limited by guarantee under the Corporations Act (**New Constitution**), and which will replace the Association Rules of VCCI that apply prior to incorporation as a company limited by guarantee,

This summary is enclosed with the Notice of Meeting for the special general meeting of members of VCCI to be held on 19 January 2024 at 9.30am (**SGM**) as set out in the Explanatory Statement to the Notice of Meeting.

Unless stated otherwise, capitalised terms used in this document take the meaning given to them in the relevant governing document (each enclosed with this document and the Notice of Meeting).

No.	Subject	Clause reference in New Constitution	Key principles in New Constitution	Clause reference in Association Rules	Key principles in Association Rules	Current position under the Existing Rules
1.	Objects	Clause 5 ( <i>Objects</i> ) Clause 6 ( <i>Income and property of Company</i> )	Clause 5.1 of the New Constitution sets out the 'Principal Purpose' of VCCI as a not-for-profit, non-political entity, being promoting industry, trade and commerce and economic development in Victoria for employers and persons engaged in industry, trade and commerce. Clause 5.2 describes how the Principal Purpose may be furthered.  Clause 6 of the New Constitution provides that the income and property of VCCI shall be used and applied solely used in promotion of the Principal Purpose.	Rule 6 ( <i>Purposes</i> ) Rule 5 ( <i>Income and property of Company</i> )	Rule 6.1 of the Association Rules sets out the 'Principal Purpose' of VCCI as a not-for-profit, non-political entity, being promoting industry, trade and commerce and economic development in Victoria for employers and persons engaged in industry, trade and commerce. Rule 6.2 describes how the Principal Purpose may be furthered.  Rule 7 of the Association Rules provides that the income and property of VCCI shall be used and applied solely used in promotion of the Principal Purpose.	Rules 3 and 36 of the Existing Rules set out VCCI's objects and the rules for the application of VCCI's income and property respectively.
2.	Eligibility for membership	Clause 7 ( <i>Admission</i> ) Clause 8 ( <i>Life Members</i> )	Under clause 7.2 of the New Constitution, all existing members of VCCI (being members at the time of its application for registration as a company limited by guarantee under the Corporations Act) will remain Members following VCCI's change of entity type. Refer also item 5 of the Previous SGM Statement in relation to the effect of the transfer of incorporation on membership.  Clauses 7.3 and 8 of the New Constitution otherwise set out which persons are eligible for admission as Members and Life Members respectively. A person can apply for membership of VCCI if they are employers in any trade, business, profession, occupation or calling in	Rule 8 ( <i>Admission</i> ) Rule 9 ( <i>Life Members</i> )	Under rule 8.2 of the Association Rules, all existing members of VCCI (being members at the time of its application for registration as an incorporated association under the AIR Act) will remain Members following VCCI's change of entity type. Refer also item 6 of the Explanatory Statement to the Notice of Meeting in relation to the effect of the change of entity type on membership.  Rules 6.3 and 9 of the Association Rules otherwise set out which persons are eligible for admission as Members and Life Members respectively. A person can apply for membership of VCCI if they are employers in any trade, business, profession,	Rules 5, 6, 7 and 7A of the Existing Rules set out the existing eligibility for membership criteria and applications for membership.

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			Australia or otherwise sole traders who have the potential to employ labour (as noted in clause 7.3(b)).		occupation or calling in Australia or otherwise sole traders who have the potential to employ labour (as noted in rule 8.3(b)).	
3.	Disciplinary action	Rule 11 ( <i>Ceasing to be a member</i> )	Clause 11.1(b) permits a majority of the Directors present and voting at a meeting of Directors by resolution terminate the membership of a Member whose conduct in their opinion renders it undesirable that that Member continue to be a Member of the Company, only after the Member has been given at least 21 days' notice of the resolution and has had the opportunity to be heard at the meeting at which the resolution is proposed.	Rule 13 ( <i>Disciplinary action</i> )	Rule 13.1 permits a majority of the Board present and voting at a Board meeting may by resolution terminate the membership of a Member whose conduct in their opinion renders it undesirable that that Member continue to be a Member of the Association.  In these circumstances, the Board must give the Member written notice of the resolution and permit the Member to give an oral or written explanation or submission before the resolution is put to the vote.	The Existing Rules do not provide for a disciplinary procedure.  The termination of a member's membership is supplemented by Chapter 6, Part 3 of the RO Act.
4.	Rights of members	Clause 10 ( <i>Rights of Members</i> )	Clause 10.1 of the New Constitution sets out the rights of Members, including the right to call, be heard and vote at general meetings.  Clause 10.2 provides that the rights and obligations of a Member are personal and are not transferable.	Rule 11 ( <i>Rights of Members</i> )	Rule 11.1 of the Association Rules sets out the rights of Members, including the receive notice of, be heard and vote at, general meetings.  Rule 11.2 provides that the rights and obligations of a Member are personal and are not transferable.	Key rights of members, including the right to vote at and call general meetings, are set out in rules 17, 18 and 27 of the Existing Rules.
5.		Clause 10 ( <i>Rights of Members</i> )  Clause 36 ( <i>Appointment and removal of Directors</i> )	As set out in clause 36 of the New Constitution, Members in general meeting of the Company may by resolution passed appoint and remove Directors.  Refer also item 6 of the Previous SGM Statement in relation to the rights of members.	Rule 11 ( <i>Rights of Members</i> )  Rule 39 ( <i>Appointment and removal of Board members</i> )	As set out in rule 39 of the Association Rules, Members in general meeting of the Association may by resolution passed appoint and remove Board members.  Refer also item 7 of the Explanatory Statement to the Notice of Meeting in relation to the rights of members.	Rules 17, 18, 19, 21, 22, 22A, 22B and 23 of the Existing Rules set out the nomination and election process under which only members of the Executive Council may be elected to the <i>Board of Directors</i> , by ballot of the Executive Council members.  In turn, members of the Executive Council are elected by secret postal ballot amongst members.
6.		Clause 57 ( <i>Minutes and Registers</i> )_	Clause 57 of the New Constitution requires the Company to keep all registers required by the New Constitution, the Corporations Act and any other regulatory or legislative requirements.  A Member's right to inspect registers and other documents are supplemented by section 173 of the Corporations Act.	Rule 62 ( <i>Inspection of records</i> )	As set out in rule 62 of the Association Rules, Members may on request inspect free of charge the Register, minutes of general meetings and other financial records, books, securities and any other Relevant Document of the Association, including minutes of Board meetings.	The Existing Rules are silent on members' rights to inspect records and documents, but these rights are provided by the RO Act, including sections 169, 272, 346 and 347.

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					<p>The Board may refuse to permit a Member to inspect records that relate to confidential, personal, employment, commercial or legal matters or where to do so may be prejudicial to the interests of the Association.</p> <p>These rights are also supplemented by sections 53, 57 and 196 of the AIR Act.</p>	
7.	Membership fees	Clause 9 ( <i>Membership fees</i> )	<p>Clause 9.1 of the New Constitution empowers the Directors from time to time to determine an Annual Subscription Fee or Application Fee payable by each Member, or class of Member.</p> <p>Refer also item 5 of the Previous SGM Statement in relation to the effect of the transfer of incorporation on the continuation of membership (including membership renewal and fees).</p>	Rule 10 ( <i>Membership fees</i> )	<p>Rule 10.1 of the Association Rules empowers the Board members from time to time to determine an Annual Subscription Fee or Application Fee payable by each Member, or class of Member.</p> <p>Refer also item 6 of the Explanatory Statement to the Notice of Meeting in relation to the effect of the change of entity type on the continuation of membership (including membership renewal and fees).</p>	Rule 8 of the Existing Rules sets out how membership fees are determined (noting that they are determined by the Executive Council).
8.	Governance and management	Clause 42 ( <i>Powers and duties of Directors</i> )	<p>The business of VCCI under clause 42 of the New Constitution will be managed by the Directors, acting as a board.</p> <p>Item 6 of the Previous SGM Statement sets out further information in respect of VCCI's management after the transfer of incorporation.</p>	Rule 45 ( <i>Powers and duties of Board members</i> )	<p>The business of VCCI under rule 45 of the Association Rules will be managed by the Board.</p> <p>Item 7 of the Explanatory Statement to the Notice of Meeting sets out further information in respect of VCCI's management after the change of entity type.</p>	Under rule 12 of the Existing Rules, the management of VCCI is primarily the responsibility of the Executive Council (together with support from the <i>Board of Directors</i> ).
9.		Clause 34 ( <i>Number and composition of Directors</i> )	<p>Under clause 34.1 of the New Constitution, VCCI must (in addition to the Past President) have no less than five and no more than 10 Directors at any given time, unless the Members in general meeting determine otherwise.</p> <p>Clause 34.2 provides that each member of the <i>Board of Directors</i> at the time of VCCI's registration as a company limited by guarantee will continue to hold the office of Director (as the initial directors of VCCI who have consented to act as directors).</p> <p>Refer also item 6 of the Previous SGM Statement in relation to the number of Directors and the initial Directors of VCCI.</p>	Rule 37 ( <i>Number and composition of Board members</i> )	<p>Under rule 37.1 of the Association Rules, VCCI must (in addition to the Past President) have no less than five and no more than 10 Board members at any given time, unless the Members in general meeting determine otherwise.</p> <p>Rule 37.2 provides that each Board member at the time of VCCI's registration as an incorporated association will continue to hold the office of Board member (as the initial Board members of VCCI who have consented to act as Board members).</p> <p>Refer also item 7 of the Explanatory Statement to the Notice of Meeting in relation to the number of Board members and the initial Board members of VCCI.</p>	Under rule 12 of the Existing Rules, the <i>Board of Directors</i> comprises up to ten members of the Executive Council (which, in turn, comprises up to 23 members) together with the <i>Office Bearers</i> and the <i>Secretary</i> .

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10.		Clause 49 ( <i>Office of President</i> )	Under clauses 49.1 and 49.4 of the New Constitution, the Directors may at any time appoint (and remove) a Director to the office of President.  Clause 49.2 provides that the initial President is the person who acts as President at the time of VCCI's registration as a company limited by guarantee.  Refer to item 16 for further detail in relation to the President's term of office.	Rule 52 ( <i>Office of President</i> )	Under rules 52.1 and 52.4 of the Association Rules, the Board may at any time appoint (and remove) a Board member to the office of President.  Rule 57.2 provides that the initial President is the person who acts as President at the time of VCCI's registration as an incorporated association.  Refer to item 16 for further detail in relation to the President's term of office.	Rule 13 of the Existing Rules sets out how the President is elected and the President's role.
11.		Clause 50 ( <i>Office of Vice President</i> )	Under clauses 50.1 and 50.4 of the New Constitution, the Directors may at any time appoint (and remove) up to two Directors to the office of Vice President.  Clause 50.2 provides that the initial Vice President(s) are those persons who act as Vice President at the time of VCCI's registration as a company limited by guarantee.  Refer to item 16 for further detail in relation to the Vice President's term of office.	Rule 53 ( <i>Office of Vice President</i> )	Under rules 53.1 and 53.4 of the Association Rules, the Board may at any time appoint (and remove) up to two Board members to the office of Vice President.  Rule 53.2 provides that the initial Vice President(s) are those persons who act as Vice President at the time of VCCI's registration as an incorporated association.  Refer to item 16 for further detail in relation to the Vice President's term of office.	Rule 13 of the Existing Rules sets out how the Deputy President is elected and the Deputy President's role.
12.		Clause 60 ( <i>Chief executive officer</i> )	Under clause 60.1 of the New Constitution, the Directors may by resolution appoint a person as VCCI's chief executive officer ( <b>CEO</b> ).  Clause 60.3 of the New Constitution provides that the CEO is responsible for (amongst other things) VCCI's day-to-day management and general administration.	Rule 64 ( <i>Chief executive officer</i> )	Under rule 64.1 of the Association Rules, the Board may by resolution appoint a person as VCCI's chief executive officer ( <b>CEO</b> ).  Rule 64.3 of the Association Rules provides that the CEO is responsible for (amongst other things) VCCI's day-to-day management and general administration.	Rule 32 of the Existing Rules provides that the Secretary may also perform the role of the CEO.
13.	Grievance procedure	N/A	The New Constitution is silent on the grievance procedures for settling disputes under the New Constitution allowing flexibility of approach.	Rule 16 ( <i>Grievance procedure</i> )	Rule 16 provides for a grievance procedure that applies to disputes in relation to the Association or under the Rules between a Member and another Member, a Member and the Board, and a Member and the Association.	Rule 40 of the Existing Rules provides that the Executive Council may direct the Secretary to charge a member with an offence against the Existing Rules.  The Existing Rules are otherwise silent on the grievance procedures for settling disputes under the Existing Rules.

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14.	Appointment and removal of Directors	Clause 36 ( <i>Appointment and removal of Directors</i> ) Clause 35 ( <i>Directors to be Members</i> )	Clause 36.1(a) of the New Constitution sets out the eligibility requirements for appointment as a Director. A Director must also have consented to becoming a Member, or be the Representative of a Financial Member, in accordance with clause 35 of the New Constitution.	Rule 39 ( <i>Appointment and removal of Board members</i> ) Clause 34 ( <i>Board members to be Members</i> )	Rule 39.1(a) of the Association Rules sets out the eligibility requirements for appointment as a Board member. A Board member must also have consented to becoming a Member, or be the Representative of a Financial Member, in accordance with rule 38 of the Association Rules.	As noted at item 5 above, the election process for the Executive Council and <i>Board of Directors</i> is much more complex and lengthy under the Existing Rules.
15.		Clause 37 ( <i>Additional and casual Directors</i> )	Clause 37 of the New Constitution empowers the Directors to appoint another person as a Director from time to time as an addition or to fill a casual vacancy. A person appointed by the Directors as an addition or to fill a casual vacancy must retire at the next general meeting of the Company, unless the Members approve that person's appointment as a Director at that meeting.	Rule 40 ( <i>Additional and casual Board members</i> )	Rule 40 of the Association Rules empowers the Board to appoint another person as a Board member from time to time as an addition or to fill a casual vacancy. A person appointed by the Board as an addition or to fill a casual vacancy must retire at the next general meeting of the Association, unless the Members approve that person's appointment as a Board member at that meeting.	Rule 25 of the Existing Rules sets out how casual vacancies are appointed, whereas rules 14(l) and 15(g) of the Existing Rules sets out how additions are appointed to the <i>Board of Directors</i> and Executive Council respectively.
16.	Retirement of Directors	Clause 38 ( <i>Retirement</i> )	Under clause 38.1 of the New Constitution, a Director's term of office will be three years after the Director was appointed. In the case of VCCI's existing <i>Board of Directors</i> , such period is inclusive of their current term of office.  Under clause 38.2 and 38.3, a retiring Director is eligible for reappointment but may only serve a maximum of two consecutive terms following which the person must not be a Director for a period of at least 24 months.  A Vice President and the President may serve an additional one and two terms of three years respectively under clause 38.4 and 38.5, provided that they remain appointed to that office. The most recent antecedent Past President may also serve an additional term of up to one year.  Refer also item 6 of the Previous SGM Statement to in relation to director tenure (including, the term limits of Directors and other officeholders).	Rule 41 ( <i>Retirement</i> )	Under rule 41.1 of the Association Rules, a Board member's term of office will be three years after the Board member was appointed. In the case of VCCI's existing Board members, such period is inclusive of their current term of office.  Under rule 41.2 and 41.3, a retiring Board member is eligible for reappointment but may only serve a maximum of two consecutive terms following which the person must not be a Board member for a period of at least 24 months.  A Vice President and the President may serve an additional one and two terms of three years respectively under rule 41.4 and 41.5, provided that they remain appointed to that office. The most recent antecedent Past President may also serve an additional term of up to one year.	The Existing Rules do not prescribe limited tenure for members of the Executive Council or the <i>Board of Directors</i> .
17.	Investment Council	Clause 52 ( <i>Delegation</i> )	Clauses 52 and 53 of the New Constitution provide that an Investment Committee may be established by, and	Rule 55 ( <i>Delegation</i> )	Rules 55 and 56 of the Association Rules provide that an Investment Committee may be established	Rule 37 of the Existing Rules deals with the investment of funds by the

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		Clause 53 ( <i>Investment Committee</i> )	<p>act as a committee with delegated authority of, the Directors.</p> <p>The Investment Committee may make recommendations to the Directors in relation to the administration and management of financial assets and investment portfolio.</p> <p>The Investment Committee will comprise the chairperson of Directors' meetings, two other Directors determined by the Directors from time to time and, if the President so elects, two Former Presidents appointed by the President.</p>	Clause 56 ( <i>Investment Committee</i> )	<p>by, and act as a committee with delegated authority of, the Board.</p> <p>The Investment Committee may make recommendations to the Board in relation to the administration and management of financial assets and investment portfolio.</p> <p>The Investment Committee will comprise the chairperson of Board meetings, two other Board members determined by the Board from time to time and, if the President so elects, two Former Presidents appointed by the President.</p>	Board of Directors. The Existing Rules do not specifically contemplate an Investment Committee.
18.	Executive Council	Clause 52 ( <i>Delegation</i> ) Clause 54 ( <i>Executive Council</i> )	<p>Clauses 52 and 54 of the New Constitution provide that the Executive Council will be established by, and act as a committee with delegated authority of, the Directors, comprising persons determined and appointed by the Directors from time to time.</p> <p>Refer also item 6 of the Previous SGM Statement in relation to the role of the Executive Council following VCCI's transfer of incorporation.</p>	Rule 55 ( <i>Delegation</i> ) Rule 57 ( <i>Executive Council</i> )	<p>Rules 55 and 57 of the Association Rules provide that the Executive Council will be established by, and act as a committee with delegated authority of, the Board, comprising persons determined and appointed by the Board from time to time.</p>	Under rule 12 of the Existing Rules, the management of VCCI is primarily the responsibility of the Executive Council (together with support from the <i>Board of Directors</i> ).
19.	Winding up	Clause 67 ( <i>Winding up</i> )	<p>Under clause 67.2 of the New Constitution, Members agree to provide a guarantee for the nominal sum of \$2.20 which is only payable on any shortfall arising out of the winding up of the company limited by guarantee.</p> <p>Refer also item 7 of the Previous SGM Statement in relation to the effect of agreeing to contribute the guarantee sum.</p>	Rule 73 ( <i>Winding up</i> )	<p>Under rule 73.2 of the Association Rules, Members agree to provide a guarantee for the nominal sum of \$2.20 which is only payable on any shortfall arising out of the winding up of the company limited by guarantee.</p> <p>Refer also item 8 of the Explanatory Statement to the Notice of Meeting in relation to the effect of agreeing to contribute the guarantee sum.</p>	Under rule 48 of the Existing Rules, members agree to provide \$2.20, which is only payable on any shortfall arising out of a winding up.