



Warrnambool Surf Life Saving Club Inc.
PO Box 378
Warrnambool Victoria 3280
E. president@warrnamboolslsc.org.au

16 July 2021

Dear Club Members,

I hope you are all keeping well and looking forward to the upcoming Life Saving season.

As mentioned at the Clubs recent Annual General Meeting the Board of Management, supported by the LSV Legal Counsel and senior staff at Maddens Lawyers, are considering a significant change to the Clubs constitution.

For those of you less familiar with constitutions they are legally binding document which outlines the following:

- The purpose of our club: why we exist, who should benefit from our work and how they should benefit.
- The objectives of our club and what we intend to achieve.
- The type of organisation we are - in our case a not-for profit voluntary incorporated association.
- The membership of the club: Who may become a member and the duties and rights of members. How you join and how members can resign or be expelled.
- The structures and main procedures of decision-making in your organisation:
 - annual general meetings and other meetings,
 - elections and appointments to the Board and other sub committees
 - their powers and functions,
 - who makes what decisions,
 - how the club is governed and how decisions are made
 - how the club is organised to get the work done.
- The roles, rights and responsibilities of people holding specific positions and of the different structures: what different individuals or structures are responsible for, to whom they account.
- How the finances and assets of our club are controlled so that no money or resources that belong to the club can be abused or misused.
- Financial year and audit process that tell you when your annual financial account will be finalised and audited and who the report will go to
- Closing down the club: what process must be followed and what will happen to the money and assets of the club should ever 'fall over'.

Successive Boards of Management have made minor but important changes to our Clubs constitution, with the most recent being in 2017. But what is being proposed is a significant restructuring modelled on Life Saving Victoria's Model Rules template. This restructure is not to our purpose, objectives, organisation type, membership, or financial controls but more to our Board of Management (BOM) structure, and our new legislated obligations under liquor licensing and the Australian Charities and not For Profit Commission (ACNC) as well as Life Saving obligations.

Available on the Club website at [NOTICE BOARD | Warrnambool SLSC](#) you will find the current constitution {WSLSC Constitution 2017 (current)} and the draft proposed constitution {WSLSC Draft Constitution 2021 (proposed)}. And below I have pasted sage comment from Mark Bolton, Senior Lawyer at Maddens Lawyers on the draft proposal.

Should we wish to pursue this change to the constitution, we will still need to follow the process outlined in the existing constitution: advertise a Special General Meeting and note its purpose, convene the meeting, and put the change(s) to our eligible voting members. So, we are still a long way off from that.

In the meantime, I would appreciate any feedback (preferably by Friday 13 August and via email to president@warrnamboolslsc.org.au) on what is being proposed. The Board want to get this process as right as it can at this point in our club's journey.

And feel free to ring me (0419 938422) – you know I love a chat.

Keep safe and see you on the beach.

Johnny
President
WSLSC

I have reviewed the proposed Constitution.

I have identified two areas for your consideration.

Attempting to model a company limited by guarantee

Rather than follow the standard Model Rules approach provided by the Associations Incorporation Reform Act 2012, the proposed Constitution attempts to model the governance of a company limited by guarantee.

It does this by giving the association broader powers (see clause 4), by using terminology, such as 'Constitution', 'Board' and 'Directors' and by generally adopting procedures that apply to a company.

I have spoken with Ian Fullagar, the General Counsel for Life Saving Victoria, who informs me that this was done deliberately to make the association apply a higher level of corporate governance.

While this approach is fine, it does add a level of complexity to the governance of the association.

Powers granted to Life Saving Victoria

The proposed Constitution gives broad powers to Life Saving Victoria, including the ability to dictate the constitution (clauses 7.1 & 7.2), discretion to decline or remove members (clauses 8.4 & 8.9) and the right to the register of the

club (clause 10.5).

I appreciate the need for the association to be a member of and aligned to Life Saving Victoria, Surf Life Saving Australia and The Royal Life Saving Society Australia. The question is whether it is necessary or appropriate to hand over this ultimate power to Life Saving Victoria. In other words, is the club prepared to totally submit to the jurisdiction of Life Saving Victoria? If it does not do so, does this have any particular negative impact perhaps on funding?

Other matters?

Further to the above, it is important that you review and consider the specific provisions of the constitution.

If you have any particular questions or concerns, please let me know.

Kind regards,

Mark Bolton | Senior Lawyer