

# MHACA – Proposed Amendments to Constitution

## SUMMARY OF CHANGES

The Mental Health Association of Central Australia (**MHACA** or **the association**) is proposing to amend its existing constitution (being the constitution last amended in October 2014) (**Existing Constitution**) to reflect the governance practices of the association, as well as best practice and certain legal requirements.

The table below summarises the key differences between the Existing Constitution and the updated constitution that is proposed to be put to members for approval (**Updated Constitution**).

Clause numbers in the left-hand column below refer to the clause number in the Updated Constitution.

SUBJECT	EXISTING CONSTITUTION	UPDATED CONSTITUTION
Life Members (clause 9)	No equivalent provision.	<p>The Updated Constitution introduces the concept of 'Life Members'.</p> <p>A Life Member is a member of the association, and has all of the same rights and privileges as any other member of the association, save that a Life Member:</p> <ul style="list-style-type: none"> <li>• need not renew their membership every two years; and</li> <li>• need not pay any annual membership fee (if the members in the future vote to introduce an annual membership fee).</li> </ul> <p>A person will become a Life Member if they are nominated by the Board in recognition of their ongoing commitment and contributions to the work of the association, and their nomination is approved by the members at the following annual general meeting.</p>
Renewal of membership (clause 11(3))	No equivalent provision.	To ensure that the association maintains an up-to-date register of members, the Updated Constitution has included a provision that members must renew their membership every 2 years (with the first set of renewals commencing due by 1 October 2023).
Termination of membership (clause 11)	<p>A person will cease to be a member of the association if they:</p> <ul style="list-style-type: none"> <li>• resign;</li> </ul>	As well as the circumstances in the Existing Constitution, the Updated Constitution contains two additional circumstances

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	<ul style="list-style-type: none"> <li>• fail to pay any applicable annual membership fee; or</li> <li>• are suspended or expelled from the association.</li> </ul>	<p>in which a person will cease to be a member of the association, being:</p> <ul style="list-style-type: none"> <li>• failure to submit a membership renewal form by the required time; and</li> <li>• the member dying, ceasing to be a resident of Central Australia or being unable to be located by the association.</li> </ul>
Suspension or expulsion of members – right to make submissions (clause 13)	No equivalent provision.	<p>Members who are proposed to be expelled or suspended by the Board must be given a reasonable opportunity to make submissions to the Board regarding its decision at the Board meeting considering the suspension or expulsion.</p> <p>While MHACA previously gave members this right in practice, the Updated Constitution codifies the requirement.</p>
Consequences of suspension (clause 14)	No equivalent provision.	<p>When members are suspended, they lose their membership rights (including voting rights) for the period of their suspension, and are not entitled to a refund of their annual membership fee (if one is applicable).</p> <p>The register of members must be updated to record when a membership is suspended (and when the period of suspension ends).</p>
Officers of the association (clause 17)	<p>The officers of the association (which comprise a subset of the Board) are:</p> <ul style="list-style-type: none"> <li>• the chair;</li> <li>• the deputy chair;</li> <li>• the secretary;</li> <li>• the treasurer; and</li> <li>• the public officer.</li> </ul>	<p>The officers of the association (which comprise a subset of the Board) are:</p> <ul style="list-style-type: none"> <li>• the chair;</li> <li>• the deputy chair; and</li> <li>• the treasurer.</li> </ul> <p>In particular, the position of secretary has been removed from the constitution (with the roles and responsibilities previously allocated to the secretary having been allocated to other persons in the association), and the public officer is no longer an "officer" under the Constitution, or a Board Member.</p>

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Board composition (clause 18)	<p>The Board consists of:</p> <ul style="list-style-type: none"> <li>• each officer of association;</li> <li>• two ordinary board members as representatives of participants; and</li> <li>• four ordinary board members selected among the general membership of the association for their interest in the advancement of mental health issues and their specific skills and insights.</li> </ul>	<p>The Board consists of:</p> <ul style="list-style-type: none"> <li>• each officer of association (noting this now excludes the secretary and the public officer);</li> <li>• <u>at least</u> two ordinary board members with a lived experience of recovery; and</li> <li>• <u>at least</u> four ordinary board members selected among the general membership of the association for their interest in the advancement of mental health issues and their specific skills and insights.</li> </ul> <p>The Board may also determine the maximum number of directors to comprise the Board from time to time.</p>
Alternate representatives at Board meetings (clause 18)	<p>In the event of a participant representative being unable to attend a Board meeting, and participant member of the Board may appoint a participant member of the association to fill the vacancy for the duration of that Board meeting. A member so appointed shall have full voting rights during that board meeting and shall hold office, subject to these rules, until the Board meeting closes.</p>	<p>No equivalent provision.</p>
Reimbursement of reasonable out-of-pocket expenses (clause 19)	<p>No equivalent provision.</p>	<p>Employees and members, and officers for the purposes of s 4 of Part 1 of the <i>Associations Act 2003</i> (NT), are entitled to reimbursement of reasonable out-pocket expenses properly incurred on behalf of the association.</p>
Authorised signatories for expenditure (clause 21)	<p>The signatories to the association's bank account (and authorised persons to approve expenditure in accordance with the Existing Constitution) comprise:</p> <ul style="list-style-type: none"> <li>• the general manager;</li> <li>• the administrator;</li> <li>• senior managers;</li> <li>• the treasurer; and</li> <li>• two other nominated board members.</li> </ul>	<p>The signatories to the association's bank account (and authorised persons to approve expenditure in accordance with the Updated Constitution) comprise:</p> <ul style="list-style-type: none"> <li>• the Chief Executive Officer;</li> <li>• each senior manager;</li> <li>• the treasurer; and</li> <li>• each Board Member.</li> </ul> <p>The expenditure provisions under the Updated Constitution are the same as those under the Existing Constitution (save the changes to the authorised signatories).</p>

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	<p>Payroll expenditure and any expenditure within the delegation schedule may be approved by any two of the above persons.</p> <p>Expenditure above the delegation schedule (excluding payroll) may be approved by any two of the above persons, provided one is a Board Member.</p>	
Appointment of the auditor (clause 22)	A resolution to appoint the auditor of the association must be put to the members at each annual general meeting.	<p>A resolution to appoint the auditor of the association must be put to the members:</p> <ul style="list-style-type: none"> <li>• where the incumbent auditor was last appointed by members, the third annual general meeting following such appointment; or</li> <li>• where the incumbent auditor was last appointed by the Board to fill a vacancy, at the following annual general meeting.</li> </ul>
Chief Executive Officer (clause 23)	No equivalent provision.	<p>The Board may from time to time appoint a person resident in Central Australia to act as CEO, with such roles and responsibilities as determined by the Board.</p> <p>The CEO:</p> <ul style="list-style-type: none"> <li>• is an employee of the association and is entitled to remuneration to be determined by the Board;</li> <li>• is entitled to receive notice of and attend each general meeting, but does not have a vote;</li> <li>• may be (but need not be) the public officer of the association; and</li> <li>• is not a member of the Board.</li> </ul>
Public officer (clause 23)	<p>At each AGM, the members shall appoint person resident in Central Australia to act as public officer.</p> <p>The public officer is a board member and shall hold office until the next AGM and is eligible for re-appointment.</p>	<p>The Board may from time to time appoint a person resident in Central Australia to act as public officer (such person having consented to act in that capacity).</p> <p>The public officer is not a member of the Board by virtue of their role as public officer (but may be a member of the Board if they are a person described in clause 18 of the Updated Constitution).</p>

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		<p>A person ceases to be the public officer of the association if the person:</p> <ul style="list-style-type: none"> <li>• dies;</li> <li>• becomes bankrupt;</li> <li>• becomes of unsound mind; resigns;</li> <li>• is removed by a resolution of members;</li> <li>• ceases to be resident in the Northern Territory; or</li> <li>• becomes ineligible to be an "officer" under the <i>Associations Act 2003</i> (NT).</li> </ul>
Ordinary business conducted at annual general meetings (clause 26)	The business of each annual general meeting must include, among other things, appointment of the public officer of the association.	Removes the requirement for the business of the annual general meeting to include appointment of the public officer (as the public officer will be longer be a member of the Board).
Notice of general meetings (clause 28)	At least 21 days before the date fixed for a general meeting, a notice must be inserted in the newspapers circulating in Central Australia.	The public officer shall, at least 21 days before the date fixed for a general meeting, cause a notice to be sent to members and posted on the association's website.
Resignation And removal Of Board Members (clause 35)	<p>An officer or Board Members' position becomes vacant if the officer or Board Member:</p> <ul style="list-style-type: none"> <li>• fails to attend three consecutive meetings without leave of the Board;</li> <li>• ceases to be a member;</li> <li>• resigns from their position; or</li> <li>• <u>ceases to be a financial member.</u></li> </ul>	<p>An officer or Board Members' position becomes vacant if the officer or Board Member:</p> <ul style="list-style-type: none"> <li>• fails to attend three consecutive meetings (<u>of which they have received notice</u>) without leave of the Board;</li> <li>• ceases to be a member;</li> <li>• resigns from their position; or</li> <li>• <u>becomes ineligible under the <i>Associations Act 2003</i> (NT).</u></li> </ul>
Meetings of the Board (clause 36)	The board shall meet at least ten times each year.	The Board shall meet at least eight times each year.
Quorum of sub-committees (clause 38)	Any three appointed members of a sub-committee constitute a quorum at a meeting of that sub-committee.	Any three members of a sub-committee constitute a quorum at a meeting of that sub-committee. Where a sub-committee comprises three or fewer members, half of the members of the sub-committee (rounded up to the nearest whole

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		number) constitute a quorum for a meeting of that sub-committee.
Use of technology at meetings (clause 39)	No equivalent provision.	Unless restricted by law, Board meetings, sub-committee meetings and general meetings may be held virtually, provided that attendees have an opportunity to participate in the meeting (including to ask questions and vote on any resolutions).
Notices (clause 40)	<p>A notice may be served by or on behalf of the association upon any member either:</p> <ul style="list-style-type: none"> <li>• personally;</li> <li>• by sending it through the post in a prepaid letter addressed to the member at the their last known place of abode;</li> <li>• by emailing it to an address supplied b the member for the purpose of receiving notices; or</li> <li>• by sending it by facsimile addressed to the number of the member's usual or last known place of business or address supplied by the member for the purpose of receiving notices.</li> </ul>	Same as the Existing Constitution, save that a notice sent by post must be sent to at the address of the member contained in the register of members, or such other address as notified by the member to the association from time to time (rather than the member's last known place of abode).
Alteration of the constitution (clause 42)	The constitution can be amended by a special resolution passed by a two-thirds majority of financial members present and voting at a special general meeting.	<p>The constitution can be amended by a special resolution passed by no less than three quarters of members present and voting at a general meeting.</p> <p><b>Note:</b> <i>This is a legal requirement under the Associations Act 2003 (NT).</i></p>
Maintenance and inspection of books (clause 44)	No equivalent provision.	The association must ensure that minutes are kept of each Board meeting and general meeting.

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		<p>The minutes must be:</p> <ul style="list-style-type: none"> <li>• in the case of Board meetings, confirmed by the Board Members at a subsequent Board meeting and signed by: <ul style="list-style-type: none"> <li>○ the Board Member who presided as chair at the Board meeting at which the proceedings took place; or</li> <li>○ the Board Member who presided as chair at the Board meeting at which the minutes were confirmed by the Board.</li> </ul> </li> <li>• in the case of general meetings, confirmed by members at a subsequent general meeting and signed by: <ul style="list-style-type: none"> <li>○ the member who presided as Chair at the general meeting at which the proceeds took place; or</li> <li>○ the member who presided as chair at the meeting at which the minutes were confirmed by members.</li> </ul> </li> </ul> <p>The books containing the minutes of general meetings must be available for inspection by members, free of charge, at the office of the association or such other place as determined by the Board from time to time.</p> <p>The books containing the minutes of Board meetings must be available for inspection by "officers" (as defined in the <i>Associations Act 2003 (NT)</i>), free of charge, at the office of the association or such other place as determined by the Board from time to time.</p> <p><b>Note:</b> Provision included to align with legislative requirements under section 38 of the <i>Associations Act 2003 (NT)</i>.</p>
Procedural irregularities (clause 45)	No equivalent provision.	The action(s) of the Board in a Board meeting or of members in a general meeting will not be invalidated because of any procedural irregularity unless the Supreme Court of the Northern Territory is of the opinion that the irregularity has

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		caused or may cause substantial injustice that cannot be remedied by any other order of the Court and by order declares the action(s) to be invalid.
Dissolution of the association (clause 46)	<p>If the association is wound up or dissolved, any surplus property must be transferred to some other association incorporated under the <i>Associations Act 2003</i> (NT) that:</p> <p>(a) is determined by resolution of the members;</p> <p>(b) is not carried on for profit or gain to its individual members; and</p> <p>(c) has objects similar to the objects of the association.</p>	<p>If the association is wound up or dissolved, any surplus property must be transferred to one or more deductible gift recipient entities that:</p> <p>(a) have objects similar to the objects of the association;</p> <p>(b) have rules prohibiting the distribution of its assets and income to its members to the same effect as the association; and</p> <p>(c) are not proscribed by section 76 of the <i>Associations Act 2003</i> (NT)</p> <p>The entities to whom surplus property will be distributed must be approved by members by special resolution at or before the time of winding up. In circumstances where the members have not approved any such entities, the association and any appointed liquidator must choose an entity of the kind mentioned above.</p> <p>If the association ceases to be a deductible gift recipient, any gift fund amounts it holds must be transferred to one or more entities of the kind specified above.</p> <p><b>Note:</b> <i>This provision has been amended to assist MHACA in complying with its requirements as a deductible gift recipient.</i></p>