

THE RULE BOOK

Durri Aboriginal Corporation Medical Service

ICN: 27

This rule book complies with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

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1. Name

The name of the corporation is **Durri Aboriginal Corporation Medical Service**

2. Objectives

The objectives for which the corporation is established are to establish, administer and operate an Aboriginal Medical Service to cater for the health needs of Aboriginal and Torres Strait Islander people bounded by the Local Government Shire areas of Kempsey, Nambucca and Hastings.

The corporation aims to:

- (a) improve the health status of the Aboriginal and Torres Strait Islander communities of the Local Government Shire areas of Kempsey, Nambucca and Hastings;
- (b) involve Aboriginal and Torres Strait Islander people in the planning and provision of health care for their communities;
- (c) train Aboriginal and Torres Strait Islander people as health service providers;
- (d) encourage Aboriginal and Torres Strait Islander people to better utilise existing health and social services; and
- (e) raise monies by way of donations and gifts from the general public and suitable enterprises to be used for training and health care service delivery for Aboriginal and Torres Strait Islander people.

3. Members

3.1 Who is eligible?

A member must be:

- at least 18 years of age; and
- an Aboriginal or Torres Strait Islander person who normally and permanently resides in the Local Government Shire areas of Kempsey, Hastings or Nambucca

3.2 How to become a member

To become a member a person must:

- be eligible to apply under rule 3.1; and
- submit an application for membership in writing to the corporation.

The directors must consider all applications for membership in the order they are received and within a reasonable period after they are received by the corporation.

The directors must consider and decide on applications for membership by resolution at a directors meeting.

The directors may refuse to accept a person's membership application. If they do, they must notify the applicant in writing of the decision and the reasons for it.

The person's name, address and date they became a member is put on the register of members.

Note: An application for membership form is attached at Schedule 1 of this Rule Book.

3.3 Members' rights

A member:

- can attend, speak and vote at general meetings;
- can be made a director (if the member satisfies the eligibility requirements under rule 5.2);
- can put forward resolutions at general meetings;
- can ask the directors to call a general meeting; and
- can look at the books and records of the corporation (if the directors have authorised them to do this, or if the members have passed a resolution which lets them do this).

Members do not have the right to share in the profits of the corporation or take part in the distribution of the corporation's assets if it is wound up.

3.4 Members' responsibilities

A member must:

- follow these rules;
- let the corporation know if they change their address (within 28 days); and
- treat other members with courtesy and respect

3.5 Liability of members

Members do not have to pay corporation debts if the corporation is wound up.

3.6 How to stop being a member

A person stops being a member if:

- they resign in writing;
- they die; or
- their membership is cancelled.

The person's name and date they stopped being a member is put on the register of former members.

3.7 Cancelling membership

A member can only be removed by a special resolution at a **general meeting**, if a member:

- can't be contacted for two years, or
- misbehaves, or
- is not an Aboriginal or Torres Strait Islander person.

If a member is removed by **special resolution** at a **general meeting** the directors must send that person a copy of the special resolution at their last known address, as soon as possible after it has been passed.

If a person is not eligible for membership for some other reason, the directors can cancel their membership by passing a resolution at a **directors meeting**.

Before the meeting, directors must give the member written notice and give the member 14 days to object in writing. If the member objects, the directors can't cancel the membership. The member can only then be removed by special resolution at a general meeting.

3.8 The register of members

The register must contain:

- members' and former members' names and addresses;
- the date when the names were put on the list; and
- for former members, the date when they stopped being a member.

The register of members and former members can be maintained in one document.

It must be kept at the corporation's document access address or registered office.

It must be available at the annual general meeting (AGM).

4. Meetings

4.1 AGM timing

AGMs must be held before 30 November each year.

4.2 AGM business

The AGMs are for:

- confirming the minutes of the previous general meeting;
- presenting reports: general, financial, directors';
- appointing directors in accordance with rule 5.5;
- choosing an auditor (if required) and agreeing on the fee;
- checking the register of members; and
- asking questions about how the corporation is managed.

4.3 General meetings

A director can call a general meeting.

Members can ask directors to call a general meeting.

Number of members in corporation	Number of members needed to ask for a general meeting
2 to 10 members	= 1 member
11 to 20 members	= 3 members
21 to 50 members	= 5 members
51 members or more	= 10% of members

If the directors receive a legitimate request from members for a general meeting they must call the general meeting within 21 days of receiving the request.

4.4 General meeting business

General meetings are for:

- confirming the minutes of the previous general meeting; and
- completing the business specified in the notice of the meeting.

4.5 Notice for general meetings

At least 21 days' notice must be given for all general meetings.

Notice must be given to members, directors, officers, the contact person and the auditor (if the corporation has an auditor).

The notice must set out:

- the place, date and time for the meeting;
- the business of the meeting; and
- if a special resolution is being proposed, and what it is.
- if a member can appoint a proxy

The notice can be given to all members in two or more of the following ways:

- personally (or in a manner that which accords with Aboriginal custom); or
- sent by post to the members address; or
- sent by fax or by email; or
- by placing an advertisement in the local newspaper.

A notice of general meeting:

- sent by post is taken to be given three days after it is posted; and
- sent by fax, or other electronic means, is taken to be given on the business day after it is sent.

4.6 Members' resolutions

Members can propose a notice of a resolution and then give it to the corporation.

Number of members in corporation	Number of members needed to propose a resolution
2 to 10 members	= 1 member
11 to 20 members	= 3 members
21 to 50 members	= 5 members
51 members or more	= 10% of members

The notice must set out the resolution in writing and must be signed by the members who are proposing it.

The corporation must give notice of the resolution to all people entitled to it (see rule 4.5).

The corporation must consider the resolution at the next meeting which is being held at least 28 days after the notice has been sent out.

4.7 Quorum at general meetings

The quorum for a general meeting of members is dependent on the number of members that the corporation has from time to time. This is set out in the following table:

Number of members in corporation	Number of members to make a quorum
30 or less members	= 2 members
31 to 90 members	= 5 members
91 members or more	= 10 members

The quorum must be present during the whole meeting. If there's no quorum after one hour, the meeting is adjourned until the next week at the same time. If there's still no quorum, the meeting is cancelled.

4.8 Chairing general meetings

One of the directors must chair general meetings. If the directors do not want to chair the meeting, then the members must elect someone else to do so.

4.9 Using technology

General meetings can be held at more than one place using any technology that gives members a way of taking part.

4.10 Voting

Each member has one vote. The chair of the meeting has one vote (if he or she is a member) plus a casting vote which may be used if necessary.

A challenge to a right to vote at a general meeting may only be made at the meeting, and must be determined by the chair of the meeting, whose decision is final.

A resolution can be decided by majority on a show of hands, unless a poll is demanded. (A poll is a formal vote, not by show of hands—for example, by writing on a voting paper or placing marbles in labelled jars.)

The chair of the meeting declares the results of the vote, on a show of hands, or when a poll is demanded.

4.11 Demanding a poll

Any member entitled to vote on the resolution or the chair of the meeting can demand a poll.

A poll can be held before or after a show of hands vote.

A poll on the election of a chair of the meeting or on the question of an adjournment must be taken immediately. A poll demanded on other matters must be taken when and in the manner the chairperson directs.

4.12 Proxies

Proxies are not allowed.

5. Directors

5.1 Number of directors

The minimum number is 5 directors (including any independent specialist directors), and the maximum number is 10 directors (including any independent specialist directors)

5.2 Eligibility of directors

A director must:

- be at least 18 years old;
- be a member of the corporation (unless they are appointed as independent specialist directors under Rule 5.8); and
- consent in writing before being appointed as a director of the corporation.

The following people are not eligible to become directors of the corporation:

- persons who were directors of the corporation at any time during the twelve months prior to the appointment of the special administrator on 28 November 2011. These persons are not eligible to be directors for a term of five years after the appointment of the special administrator is terminated; and
- persons who are otherwise disqualified from managing a corporation

5.3 Majority of director requirements

A majority of directors of the corporation must:

- usually reside in Australia;
- be a member of the corporation; and
- not be an employee of the corporation.

5.4 Composition of the board of directors

The board of directors will be made up as follows:

- at least three and up to seven member directors; plus
- at least one member director who represents Bowraville / Nambucca valley region; plus
- a maximum of two independent specialist directors appointed under rule 5.8.

No more than one (1) person from each *immediate family* is eligible to be a director at any one time

Immediate family means any living person related in any of the following ways: grandfather, grandmother, father, mother, husband, wife, defacto, son, daughter, sister, brother or step-children.

5.5 How to become a director

The corporation can appoint a director by resolution passed at a general meeting or in the case of an independent specialist director, by resolution passed at a directors meeting

The directors must give the corporation their consent in writing to be a director prior to their appointment.

The corporation must notify the Registrar of the directors' details within 28 days after they are appointed.

Note: A consent form template that may be used for director's consent is at Schedule 3 of this rule book.

5.6 Directors' terms of appointment

The directors are appointed at the AGM for a term of two years.

The independent specialist directors are appointed by the directors for a term of two years.

The directors are eligible for reappointment.

5.7 How to become an office bearer (chairperson & vice-chairperson)

There shall be a chairperson and a vice-chairperson who shall be the office bearers.

The directors elect the office bearers of the corporation from the directors at the first director's meeting after each AGM

5.8 How to become an 'independent specialist director'

The directors may appoint a maximum of two independent specialist directors. Independent specialist directors must be selected for their independence and skills in financial management, corporate governance, or clinical services.

Independent specialist directors must not be eligible to be a member of the corporation.

Independent specialist directors must give the corporation their consent in writing to be a director before being appointed.

Independent specialist directors are appointed for a term of two years

Independent specialist directors can be reappointed.

Independent specialist directors may be paid a director's fee in accordance with the Australian Institute of Company Directors' guidelines

5.9 How to fill vacancies

The directors can fill casual director vacancies, including office bearers. Their appointment must be confirmed by resolution at the next general meeting or they stop being a director.

5.10 Alternate directors

Alternate directors are not allowed

5.11 How to stop being a director

A person stops being a director if:

- the person dies; or
- the person resigns in writing as a director; or
- the term of the person's appointment as a director expires; or
- the person is removed as a director by the members or the other directors (in accordance with rule 5.12); or
- the person is disqualified from managing a corporation.

The corporation must notify the Registrar of the director's details within 28 days after they stop being a director.

5.12 How to remove a director

The members may remove a director (including independent specialist directors) at any time by passing a **resolution** at a **general meeting** provided that the following points have occurred:

- a notice for a resolution to remove a director is given to the corporation at least 21 days before the next general meeting (or AGM).
- the corporation has given the director concerned a copy of the notice as soon as possible.
- the director can give the corporation a written statement and speak at the meeting. The statement must be given to everyone entitled to notice of the meeting (see rule 4.5).

The directors may remove other directors (including independent specialist directors) in the following way:

- the directors can only remove a director by **resolution** at a **directors meeting** if the director fails to attend three or more consecutive directors meetings without a reasonable excuse.
- before they do the directors must give the director a notice in writing and they must give the director 14 days to object in writing.
- if the director objects, they cannot remove the director. The director can only then be removed by resolution of members at a general meeting.

5.13 Directors' and officers' duties

The duties are:

- a duty of care and diligence;
- a duty of good faith;
- a duty to disclose a conflict of interest (material personal interest);
- a duty not to improperly use position or information; and
- a duty to not trade while insolvent.

The business of the corporation is to be managed by or under the direction of the directors. The directors may exercise all the powers of the corporation except any that the CATSI Act or this rule book requires the corporation to exercise in general meeting.

5.14 Conflict of interest (material personal interest)

A director who has a material personal interest in a corporation matter must tell the other directors.

The director must give details of what the interest is and how it relates to the corporation. These details must be given at a directors' meeting as soon as possible, and must be recorded in the minutes of the meeting.

A director who has a material personal interest must not:

- be present at the directors' meeting while the matter in question is being considered;
- vote on the matter in question

unless allowed to do so under the CATSI Act.

5.15 Payment

Independent specialist directors may be paid sitting fees in accordance with rule 5.8.

Other directors are not paid remuneration, unless they have a contract to provide goods or services (so long as the director has exercised any duty to disclose a conflict of interest and the process detailed in rule 5.17 is followed). They are not to be paid sitting fees to attend directors meetings

The corporation may pay the directors' travelling and other expenses (i.e. accommodation) for attending meetings or to do with other corporation business.

5.16 Delegation

Directors can delegate, by passing a resolution, any of their powers to:

- another director
- a committee of directors
- an employee of the corporation.

The delegation must be in writing and specify the delegation period and the delegated powers. The delegate must follow the directions of the directors when using the delegated powers.

5.17 *Related party benefit*

If a corporation wants to give a financial benefit to a director or related party (such as a spouse of a director) it must get prior approval of the members.

The procedure in part 6.6 of the CATSI Act must be followed.

5.18 *Directors' meetings*

Directors must meet at least every three months.

The directors will usually decide at a meeting when and where the next meeting will be.

A director can call a meeting by giving reasonable notice to all the other directors.

5.19 *Quorum for directors' meetings*

The quorum for a director's meeting shall be a majority of the member directors plus one of the independent specialist directors (if appointed) .

The quorum must be present at all times during the meeting.

5.20 *Chairing directors' meetings*

The directors can elect a director to chair their meetings.

They must decide how long that director will be the chair.

5.21 *Using technology*

Directors' meetings can be held at more than one place using any technology, as long as they all agree to it.

5.22 *Resolutions at directors' meetings*

A resolution of directors must be passed by a majority of the votes.

Resolutions can be passed without a directors' meeting if all directors sign a statement saying that they are in favour of it.

6. Contact person

The contact person must be at least 18 years old.

The directors appoint a contact person.

The directors decide the contact person's pay and terms and conditions of employment, if any.

The contact person must pass on any correspondence received to at least one of the directors within 14 days.

The contact person must give the corporation their consent in writing to become a contact person.

The corporation must send the Registrar a contact person or secretary's personal details within 28 days after they are appointed. The corporation can use the Registrar's *Notification of a change to corporation officers' details* form.

Note: "small" and "medium" sized corporations have a contact person, large corporations have a secretary.

7. Records

The corporation must keep:

- minutes of meetings (in writing or as an audio or video recording);
- the rule book (constitution);
- the register of members and former members;
- names and addresses of directors, officers and the contact person; and
- financial records that correctly record and explain its transactions and financial position and that would enable true and fair financial reports to be prepared and audited.

They must be kept at the corporation's document access address.

8. Finances

The corporation must follow the procedures set out below:

- all money of the corporation must be deposited into the corporation's bank account;
- the corporation must give receipts for all money it receives;
- all cheques, withdrawal forms, electronic funds transfers and other banking documents must be signed by at least two directors or in accordance with valid delegations;
- all accounts must be approved for payment by resolution at a directors' meeting or in accordance with valid delegations; and
- all payments made out of the corporation's money must be supported by adequate documents which explain the exact nature and purpose of the payments.
- bonuses will not be paid to any employee or board member of the corporation.

9. Application of funds

Directors can use the money and property of the corporation, not subject to any special trust or conditions by funders, to carry out its business.

They cannot give the money and property to members of the corporation.

This rule does not stop the corporation from making reasonable payment:

- to a member in their capacity as an employee (i.e. wages); or
- to a member under a contract for goods or services provided.

10. Powers of the corporation

Subject to the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and this rule book, the corporation has the power to do anything lawful to carry out the objectives, except:

- the directors of the corporation shall not in any way dispose of, charge, mortgage, pledge, encumber or otherwise deal with an asset of the corporation which consists of or includes land without first obtaining approval of the members by way of a special resolution of members at a properly convened general meeting of the corporation.

11. Dispute resolution

The dispute resolution process is as follows:

- if a dispute arises, the parties must first try to resolve it themselves;
- if the dispute is not resolved within ten business days, any party may give a dispute notice to the other parties;
- the dispute notice must be in writing and must say what the dispute is about. It must be given to the corporation;
- if the dispute is about the CATSI Act or the corporation's rules, the directors or any of the dispute parties may ask the Registrar for an opinion;
- the directors must help the parties resolve the dispute within 20 business days after the corporation receives the notice; and
- if the directors cannot resolve the dispute, it must be put to the members to resolve at a general meeting.

The directors or any of the dispute parties may ask the Registrar for assistance.

12. Changing the Rule Book

The rule book can be changed by the members passing a special resolution at a general meeting.

The proposed changes must be set out in the notice for the general meeting.

Within 28 days after the resolution is passed, the Corporation must send the Registrar:

- a copy of the changes

- a copy of the minutes of the meeting.

The changes take effect when they are registered by the Registrar.

13. Winding up

The winding up of the corporation shall be in accordance with the CATSI Act.

13.1 Resolution to distribute surplus assets

Subject to rule 14.2, where:

- (a) the corporation is wound up; and
- (b) after all debts and liabilities have been taken care of, and costs of winding up have been paid, surplus asset of the corporation exist

the members may pass a special resolution relating to the distribution of the surplus assets of the corporation.

13.2 The distribution of surplus assets must not be made to any member or to any person to be held on trust for any member.

Dictionary

"**Aboriginal person**" means a person of the Aboriginal race of Australia.

"**Aboriginal and Torres Strait Islander person**" means the following:

- a) An Aboriginal person;
- b) A Torres Strait Islander;
- c) An Aboriginal and Torres Strait Islander person;
- d) A Torres Strait Islander and Aboriginal person;
- e) An Aboriginal and Torres Strait Islander corporation;
- f) A body corporate prescribed by name in the regulations made under the Act
- g) A body corporate in which a controlling interest is held by any, or all, of the following persons:
 - a. Aboriginal persons;
 - b. Torres Strait Islanders;
 - c. Aboriginal and Torres Strait Islander persons;
 - d. Torres Strait Islander and Aboriginal persons.

"**Act**" means the Corporations (Aboriginal and Torres Strait Islander) Act 2006 as amended from time to time and any regulations made under it.

"**Annual general meeting or AGM**" means a general meeting held in accordance with rule 4.

"**Applicant**" means a person who is eligible to become a member of the corporation and has applied to become a member according to rule 3.2.

"**Application for membership form**" means the form included in Schedule 1 -Application for membership form

"**Books and records**" include a register, any record of information, financial reports or records, or documents of a corporation however compiled, recorded or stored.

"**Business day**" means a day which is not a Saturday, Sunday or bank or public holiday in the place concerned.

"**Contact person**" means a person elected or appointed according to rule 6.

"**Corporation**" means the corporation referred to at rule 1.

"**Director**" means a person who holds office as a member of the board of directors of the corporation according to rule 5.

"**Directors' meeting**" refers to meetings of the board of directors held according to rule 5.18.

"**Dispute**" has the meaning given in rule 11.

"**Dispute resolution process**" means the process set out in rule 11.

"**General meeting**" refers to both special general meetings and annual general meetings of the members of the corporation called and held according to rule 4.

"**Indigenous Corporation Number or ICN**" means that number given by the Registrar to the corporation on registration.

"**Member**" means a person whose name appears on the Register of members.

"**Minutes**" means the record of proceedings and resolutions passed at general meetings

and/or directors' meetings

"**Objectives**" means the objectives set out in rule 2.

"**Officer**" is a director, corporation secretary, administrator, special administrator, receiver, receiver and manager, liquidator or trustee of the corporation or a person who makes decisions that affect a substantial part of the business of the corporation; or could significantly affect the corporation's financial standing.

"**Poll**" means voting at a general meeting by the members voting signing a paper headed "for" or "against" a motion or resolution, as the case may be (as opposed to voting by a show of hands). A poll can include a secret ballot.

"**Register of members**" means the register of members kept according to rule 3.8.

"**Registrar**" means the Registrar of Aboriginal and Torres Strait Islander Corporations appointed in accordance with the Act.

"**Related party benefit**" is the giving of a financial benefit to a person or group with a close relationship to the corporation. Related parties include directors, their immediate family members or corporations/entities they control.

"**Special resolution**" means a resolution that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

"**Surplus assets**" has the meaning given in rule 13.

"**Torres Strait Islander**" means a descendant of an indigenous inhabitant of the Torres Strait Islands.

Schedule 1—Application for membership form

DURRI ABORIGINAL CORPORATION MEDICAL SERVICE

I, _____
(first name of applicant) *(last name of applicant)*

of

(address of applicant)

Hereby apply for membership of the Durri Aboriginal Corporation Medical Service.

I declare that I am eligible for membership under Rule 3.1 and am willing to be bound by the rules of the corporation.

Signed: _____

Date: _____

Office use only

Application tabled at directors' meeting held	Date:
Directors confirmed applicant is eligible for membership	Yes / No
Entered on register of members	Date:

.....
Chairperson's signature

Schedule 2—Consent to act as a director form

DURRI ABORIGINAL CORPORATION MEDICAL SERVICE

Consent to become a director

I, _____ (full name of person)

of _____ (address of person)

give consent to become a director of **Durri Aboriginal Corporation Medical Service**

as nominated at the general meeting of the corporation (annual general meeting or other general meeting, as the case may be) or in the case of an independent specialist director as nominated at the meeting held on:

_____ (date of meeting)

I also acknowledge that a person is automatically disqualified from managing corporations if they:

- have been convicted of an offence under the *Corporations (Aboriginal and Torres Strait Islander Act 2006)* that is punishable by imprisonment for more than 12 months;
- have been convicted of an offence involving dishonesty that is punishable by imprisonment for at least three months;
- have been convicted of an offence against the law of a foreign country that is punishable by imprisonment for more than 12 months;
- are an undischarged bankrupt;
- have signed a personal insolvency agreement and have not kept the agreement; and
- have been disqualified under the *Corporations Act 2001* from managing corporations.

The period of automatic disqualification is set out in sections 279-5 and 279-10 of the CATSI Act.

Signature of person _____

Date _____

Note: This form should be completed and given to the corporation **before** the person is appointed as a director – section 246-10(1) of the CATSI Act.