



## Explanatory Notes

The following notes are to assist in understanding why changes are being considered as best way forward for Adventure Patch.

### 1. Transfer of registration

This is the next logical step in the restructuring of *Adventure Patch*. The plan is to transfer registration to a company limited by guarantee that can operate appropriately for an organisation like us.

Being a public company limited by guarantee under the *Corporations Act 2001* is a more appropriate structure for *Adventure Patch*. We are currently an incorporated association under the *Associations Incorporation Act* which is designed more for small entities, we are growing at a rapid rate.

Being a company imposes clearer governance obligations on *Adventure Patch* with Members having clearer rights and Directors having clearer obligations together with stricter obligations regarding auditors.

### 2. Change of name

This is an administrative resolution to meet a technical requirement of the *Corporations Act*.

We have been operating under the name of Adventure Patch in recent months, to add to the protection of that name we wish to use it as the name of the company.

As a company, *Adventure Patch* must include 'Limited' or 'Ltd' in its name, to change a name requires a special resolution.

### 3. Repeal existing rules

This is a technical resolution to ensure that once *Adventure Patch* becomes registered as a company there is no question that the current constitution does not continue to apply.

### 4. Adopt a new constitution

To become a company, Adventure Patch must adopt a constitution with a number of rules applicable under the *Corporations Act*, so changes to the constitution have to be made.

In making the changes to the constitution, the key differences to the current constitution are:

1. **Technical changes:** various technical rule changes related to the type of company, the Member guarantee, the accounting and auditing obligations and rule changes to accommodate the linkage between the *Corporations Act* and the *ACNC Act*.
2. **Objects:** these have been aligned more closely with key elements of the recently legislated *Charities Act 2013* (Cth) – changes which we would need to make even if we stayed as an incorporated association. While the wording has changed, we continue to do what we have long done, so there is no change to the substance of our services.
3. **Members:** have been simplified in that there is a single type of Member with all Members having the same rights. Membership is also broadened in that it is now clear that other organisations can now be Members which we believe will be helpful in collaborating with other services.
4. **General meetings:** Members have been given more rights regarding general meetings with all the requirements of the *Corporations Act* being applied regarding Members rights to call meetings, to appoint proxies, to remove Directors at general meetings and such.
5. **Board:** while the purpose, size and rotation processes of the Board remain similar, key changes have been made in line with principles of good governance. Limits on how long an individual can be on the Board continuously have been introduced. Directors can come from a broader background to increase the scope for having capabilities or perspectives that may not be readily available from Members. The eligibility requirements for Directors have been specified more clearly in line with the law applicable to child care services like ours. Importantly, Members have a right under the *Corporations Act* to remove any Director subject to due process.

A copy of the proposed constitution for the company is readily available from the office at *Adventure Patch* or from the website. To contain costs, we did not print and distribute a copy to all Members unrequested. For a copy call Sonia Shelverton on 03 6229 4914 or email

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