Annual General Meetings Made Easy:

A handbook for not-for-profits and community groups

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Acknowledgement of Country

The authors and publishers of this book
acknowledge and offer our deep respects to the
traditional owners of the lands on which we live,
work, play and learn. Sovereignty was never ceded.
We support the reforms outlined in the
Uluru Statement from the Heart.
Treaty, Justice, Truth.

Contents

Introduction 7

A note on terms 8

What are the rules? 9

Why AGMS? 11

- **Why is it in the Act?** 12
- **What other reasons are there for having an AGM?** 12

What do you have to do to get ready? 13

- **Set a date** 13
- **Organise a venue** 16
- **Set the agenda** 16
- **Draw up reports** 17
- **Clean up your membership list** 19
- **Prepare the agenda** 22
- **Organise entertainment, tea etc** 23
- **AGMs workflow** 24

Sending out notifications 25

- **What goes in the notification?** 25

The meeting itself 27

- **Necessary documentation** 27
- **Welcome** 27
- **Recording who's present** 27
- **Checking for a quorum** 27
- **Apologies** 28
- **Minutes of the last meeting** 28
- **Reports** 29
- **Elections** 29
- **Variations on election procedures** 31

Election of auditor 32
Special business (if any) 32
Close of meeting 32
Entertainment (if any) 32

Special business 33

Electronic meetings 35
What the state Acts say about electronic meetings 37

After the AGM 39
Minutes 39
Handover 40
Banking 40

Appendix A: Template draft constitutional amendments 41

Appendix B: FAQs 47

Appendix C: Tips for the chair 53

Appendix D: Meeting etiquette 55

Appendix E: Tips from the experts on making the most of your AGM 57

Introduction

As the branches begin to bud and flower in early spring, Australian not-for-profit organisations enter the season of annual general meetings.

Theoretically, the AGM is an important event. It gives members and the public a broad overview of the organisation's current directions and its financial health. It's also the time to revitalise the organisation by electing the right people into key positions.

Often, though, the AGM is treated as an unpleasant formality – something that has to be done to comply with government regulations. Your organisation should try to make the AGM a positive experience where people go away firmly committed to the organisation and its goals.

At the minimum, this means running the meeting efficiently and by the rules. The purpose of this book is to explain how to do just that, and to reduce the level of anxiety associated with preparing for an AGM.

A note on terms

The not-for-profit sector operates in all Australian states and territories and has to cope with a number of different legal formats. Consequently, there are a number of names for what are functionally much the same thing. For ease of reading we've settled on this set of terms.

When we say	We mean
committee of management	committee of management or board or council or executive committee
chair	chair or chairperson or president
committee of management member	committee of management member or board member or trustee or director
manager	manager or chief executive officer (CEO) or director or coordinator or executive officer
constitution	constitution or rules or articles of association
not-for-profit sector	not-for-profit sector or non-profit sector or community sector or third sector or voluntary sector
not-for-profit organisation	incorporated association or company limited by guarantee or cooperative

What are the rules?

A lot of people think that there's an official book of rules governing how to run AGMs, and that any breach of these rules – which, very irritatingly, they can't find anywhere – makes the meeting invalid and attracts vigorous and painful sanctions from the official regulator.

This couldn't be more wrong (and this isn't that book). It's not the case that anything not compulsory is prohibited. Anything not compulsory is *allowed*. There aren't many rules, and they're flexible. If you colour in outside the lines, everyone else will mostly shrug. AGMs aren't fragile porcelain knick-knacks that have to be handled with awe and white gloves, they're useful string bags to hold your groceries in.

Almost all the time, nobody outside the organisation cares what happens at the AGM, or whether it happens at all.

If people do care, then your organisation is probably in the middle of a struggle over something else, and the AGM is being used as a sword or a shield by one side or another. In that case, yes, your choices are going to be scrutinised more closely, and you should try to give reasons for them.

Before asking what the rules are, though, first ask this important question: "What do you want to happen?"

Only then ask "How do the rules affect this?"

As you can see, we take a pragmatic rather than legalistic approach in these matters. The penalty for that is that nothing in this book constitutes legal advice. It's just advice.

Why AGMS?

When in doubt, go back to first principles and ask why you're having an AGM.

It's in the Act

All state Associations Acts and the *Corporations Act 2001* make it mandatory to have an annual general meeting.[1] For example, the ACT *Associations Incorporation Act 1991* says, "An incorporated association must, in addition to any other meeting it holds, hold an annual general meeting, once in each calendar year, within the period of 5 months beginning at the end of the association's most recently ended financial year."

For more information on the details in your particular state, see:

Australian Capital Territory	http://www.austlii.edu.au/cgi-bin/viewdb/au/legis/act/consol_act/aia1991307/
New South Wales	http://www.austlii.edu.au/cgi-bin/viewdb/au/legis/nsw/consol_act/aia2009307/
Northern Territory	http://www.austlii.edu.au/cgi-bin/viewdb/au/legis/nt/consol_act/aa2003153/
Queensland	http://www.austlii.edu.au/cgi-bin/viewdb//au/legis/qld/consol_act/aia1981307/
South Australia	http://www.austlii.edu.au/cgi-bin/viewdb/au/legis/sa/consol_act/aia1985307/
Tasmania	http://www.austlii.edu.au/cgi-bin/viewdb//au/legis/tas/consol_act/aia1964307/
Victoria	http://www.austlii.edu.au/cgi-bin/viewdb/au/legis/vic/consol_act/aira2012376/
Western Australia	http://www.austlii.edu.au/cgi-bin/viewdb/au/legis/wa/consol_act/aia2015307/

1 All state and federal Acts are in a national database at the Australasian Legal Information Institute: www.austlii.edu.au. If you've got a question about an Act, it's worth checking it out there first.

Or look up your state's Association Act on the wonderful Australian legal database, www.austlii.edu.au, just in case they've changed it since we wrote this. Click on your state, click on Legislation, click on Consolidated Acts, and then click on A and scroll down to Associations.

Why is it in the Act?

The government (and the public) wants the board (and the administration) of your not-for-profit to be accountable to the members of the group. They want the members to be informed of how things are going and to be able to remove or overrule the board if it's acting in defiance of members' wishes. Those are good reasons, and they can help you to decide difficult questions when they come up. That's what you're trying for, and you should generally act accordingly.

AGMS allow you to

- **be transparent.** Whether you are an incorporated association or not, organisations need to be accountable to the public and to their members. This is your opportunity to report on the results of your strategic plan. Did you achieve all your expected outcomes over the past year? What you do you plan to do in the next as a result?
- **communicate with your members.** The AGM provides a good opportunity for the office bearers and the management to interact with the membership – to answer their questions and seek their views. Ordinary members are able to raise their concerns and participate. There should, of course, be opportunities for members to be involved throughout the year, but the AGM provides a minimum safety net to make certain that this is not overlooked in the rush of work.
- **raise awareness.** You may wish to send special invitations to local dignitaries, local members, donors and prospective donors.

What other reasons are there for having an AGM?

In some cases you can use your AGM to get publicity for your organisation. For example, if you have a guest speaker or an announcement that you think may be of wider interest than just to your own membership, you could prepare and circulate a press release.

Obviously, this has to be handled with care – many AGMs are so dull that they only put people off, and making yours interesting is going to take up some resources that you could have used elsewhere. And like any meeting, AGMs sometimes bring up quite sensitive issues that you may not wish to publicise.

You must carefully weigh up your priorities for promoting the organisation.

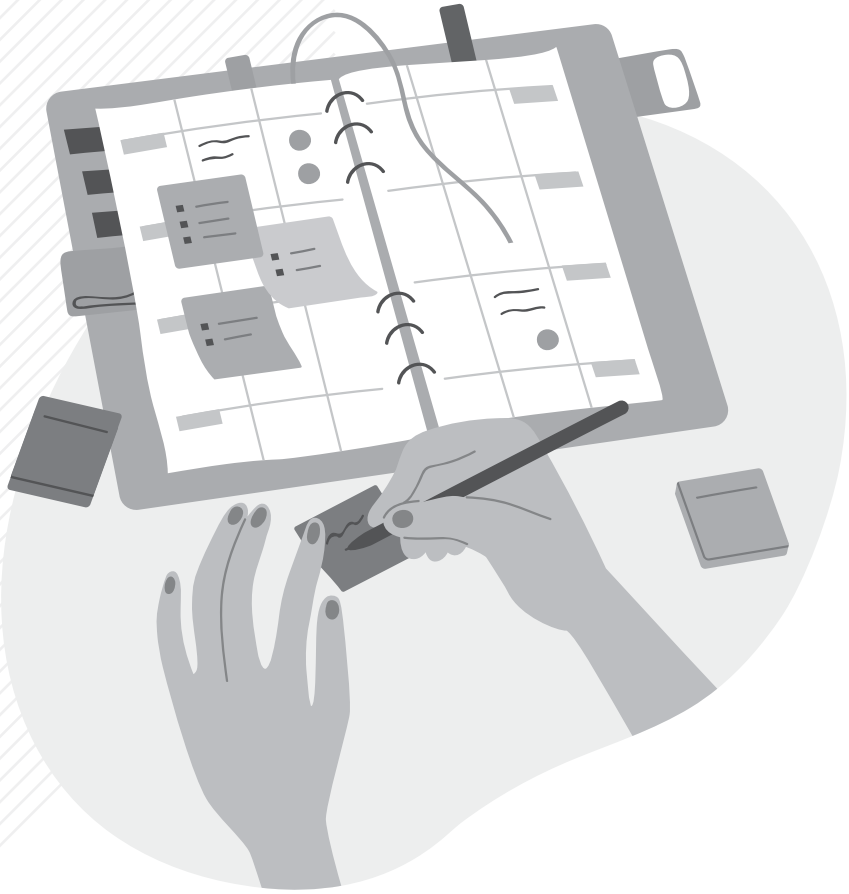
However many people are expected to come, though, the organisation should try to make the AGM a positive experience where people go away firmly committed to the organisation and its goals.

What do you have to do to get ready?

Set a date

The Act that governs your organisation sets out – in broad terms – when you must hold your AGM.

Apart from that requirement, it comes down to convenience. Don't schedule it during school holidays, on long weekends, or on the same night as any organisation with a membership overlap.



The table below sets out excerpts from the Associations Act of each state and territory, and from other sources as footnoted.

Jurisdiction of incorporated association (or other legal structure)	**Timing of AGM**
Australian Capital Territory	An incorporated association must, in addition to any other meeting it holds, hold an annual general meeting, once in each calendar year, within the period of 5 months beginning at the end of the association's most recently ended financial year.
New South Wales	An association's committee must ensure that annual general meetings are held— (a) within 6 months after the close of the association's financial year, or (b) within such further time as may be allowed by the Secretary or prescribed by the regulations
Northern Territory	An incorporated association must, in addition to any other meeting it holds, hold an annual general meeting, once in each calendar year, within 5 months after the end of the association's last financial year.
Queensland	An incorporated association must hold an annual general meeting within 6 months after the end date of the association's reportable financial year.
South Australia	Subject to this section, a prescribed association must hold an annual general meeting— (a) if the prescribed association is a relevant prescribed association (within the meaning of section 33)—within 6 months; or (b) in any other case—within 5 months, after the end of the financial year of the association.