

# About the constitution

## Incorporated associations

### What is the constitution?

The constitution of an incorporated association is a contract between the association and its members, who agree to adhere to the provisions outlined in the constitution.

Every incorporated association must have a constitution. This can be the model constitution or the association's own constitution, which is recorded in the public register of incorporated associations, maintained by NSW Fair Trading.

### What matters must be included in the constitution?

The constitution must address each of the matters referred to in Schedule 1 of the *Associations Incorporation Act 2009*, as follows:

- **Membership qualifications**  
The requirements, if any, to become a member.
- **Register of members**  
The register of the association's members.
- **Fees, subscriptions etc**  
Any entrance fees, subscriptions and other amounts, if any, to be paid by the members.
- **Members liabilities**  
A member's liability, if any, towards the debts and liabilities of the association.
- **Disciplining of members**  
The procedure, if any, for disciplining members, including an appeals process.
- **Internal disputes**  
The procedure for the resolution of disputes between members and between members and the association.
- **Committee**  
The establishment, functions and processes of the committee, including;
  - the election or appointment of the committee members
  - the terms of office of the committee members
- the circumstances in which a committee member has to vacate office
- the filling of casual vacancies on the committee, and
- procedures to be followed at committee meetings.
- **Calling of general meetings**  
The procedure of holding and calling a general meeting.
- **Notice of general meetings**  
The process for notifying members of a general meeting of motion.
- **Procedure at general meetings**  
The quorum, procedure and requirements for conducting a general meeting, and whether members are entitled to vote by proxy.
- **Postal ballots**  
The types of resolutions that may be voted on by a postal ballot.
- **Sources of funds**  
The sources of the association's income.
- **Management of funds**  
How the association's funds are to be managed and the procedure for drawing and signing cheques on behalf of the association.
- **Custody of books etc**  
Who is responsible for the association's books, documents and securities.
- **Inspection of books etc**  
The procedures and costs associated for the inspection of books and documents by members.
- **Financial year**  
The association's financial year.

A representative of the association is required to certify that the constitution complies with the requirements of the Act, including the above matters.

### What is the model constitution?

NSW Fair Trading developed the model constitution covering all matters outlined in Schedule 1 of the Act, as well as a number of additional matters.

New and existing associations may:

- adopt this model constitution
- adopt a modified version of this model constitution as their own constitution.

Each association needs to consider whether the model constitution is suitable for them because once it is adopted it is binding to both the association and members.

If an associations constitution (adopted since 1 July 2010) fails to address a matter outlined in Schedule 1, the model constitution will apply in respect to that matter and will form part of the associations constitution.

The model constitution may be updated from time-to-time, with the updates applying to any association who has adopted the model constitution.

### How is the constitution changed?

An association may change its constitution by passing a special resolution. The change must be consistent with the Act and the rest of the constitution.

The association must apply for registration of the changes within 28 days of the special resolution and the application must:

- be in the approved form (*Application to change objects or constitution* - Form A6)
- include details of the proposed change
- include a copy of the special resolution as passed
- include the prescribed fee.

A change will only take place once it is registered with NSW Fair Trading.

An application may be refused if it:

- does not comply with the Act
- is not in the approved form
- is lodged more than 28 days after passing the special resolution.

An association representative must certify that the constitution complies with the Act.

For more information visit the Resolutions page on the Fair Trading website.

### What if there is a breach of the constitution?

An individual may take action against a member or the association if a breach has occurred, either externally or using the internal dispute resolution process outlined in the associations constitution.

In most cases, the NSW Fair Trading does not have the authority under the Act to investigate or to intervene in a dispute relating to a breach of the constitution.

For more information visit the Resolving disputes page on the Fair Trading website.

### Need more information?

Contact Registry Services  
PO Box 22  
Bathurst NSW 2795  
Tel: 6333 1400  
FreeCall: 1800 502 042  
Email: registryinquiries@finance.nsw.gov.au