

## **By-law 5**

### **5 CHAPTERS AND DIVISIONS**

In accordance with Rule 85 of the EIANZ Rules of Association, this By-law is prescribed by the Board of the Association ("*the Board*") to give better effect to Rules 73 and 74; which provide for the establishment and administration of Chapters and Divisions.

#### **5.1 Chapters**

- (1) The functions of a Chapter shall be the furtherance of the purposes of the Association within the country covered by the Chapter.
- (2) The means of furthering these purposes shall be through leadership and the national coordination of the efforts of the Divisions that comprise each Chapter.
- (3) Chapter Committees may be established by the Board and be administered by a committee comprising the relevant Vice-President of the Association, the President of the Divisions established in the country covered by the Chapter, and the conveners of Branches established for the furtherance of the purposes of the Association.
  - (a) The function of a Chapter Committee is to give advice through the relevant Vice President to the Board.
- (4) The Vice-President Australia and the Vice-President New Zealand may, as necessary and desirable, convene and chair meetings of the relevant Chapter Committee.
- (5) Failure of a Chapter Committee to meet shall not be evidence that it has ceased to operate.
- (6) The business and order of proceedings at any Chapter Committee meetings shall be determined by those present at the meeting; minutes of the proceedings shall be kept; and the minutes shall, as soon as is practical after the conclusion of the meeting, be provided to the Board and Advisory Council for information and consideration of any necessary action.

#### **5.2 Divisions**

- (1) The functions of a Division shall be the furtherance of the purposes of the Association within the geographical area covered by the Division.

##### **5.2.1 Designation of Divisions**

In all Australian States, the Australian Capital Territory, the Northern Territory, and in New Zealand there shall be, until otherwise determined by the Board, one Division with boundaries corresponding to the respective jurisdictional boundaries.

## **5.2.2 Membership of Divisions**

- (1) A member of the Association shall be assigned to be a member of a Division based on their nominated place of permanent residence and while membership is geographic, participation can be anywhere.
- (2) Where a member of the Association is engaged in work at a place other than in the Division where they permanently reside, they may elect to be assigned to the Division in which they work.
- (3) A member shall be transferred from one Division to another, when the member notifies the Association of a change in their permanent place of residence, or place of work.

## **5.2.3 Divisional Meetings**

- (1) A Divisional Committee shall, in each calendar year, convene an Annual General Meeting of the members of the Division.
  - (a) The Annual General Meeting must be held between the thirtieth (30) day of June and the thirty-first (31) day of August, unless otherwise approved in writing by the Board;
  - (b) Notice must be given in accordance with the procedures set out in Rule 29, as if the meeting was a general meeting of the Association.
  - (c) The ordinary business to be conducted at the Annual General Meeting is as follows:
    - i. confirmation of the minutes of the previous Annual General Meeting and any special general meetings held since then;
    - ii. receipt and consideration of a report by the Divisional Committee on the activities and transactions of the Division in the preceding financial year;
    - iii. receipt and consideration of a report by the Treasurer of the Division on the financial statements of the Division for the preceding financial year;
    - iv. election of the members of the Divisional Committee for the

following year; and

- v. any other business of which notice is given.
- (d) A Divisional Committee may convene additional general meetings of members of the Division, at such times and places as it sees fit; subject to compliance with the notice procedures set out in Rule 29, as if the meeting was a general meetings of the Association.
- (2) An additional general meeting must be convened by a Divisional Committee on the written request of ten (10) voting members of the Association, whose membership is assigned to the Division, or 20% of the voting members of the Association, whose membership is assigned to the Division; whichever is the smaller number.
- (3) No business shall be conducted at an Annual General Meeting or a general meeting of a Division other than the business of which notice has been given.
- (a) Any matter raised at a meeting, for which notice has not been given, shall, without debate, be referred to the Divisional Committee for its consideration and action.
- (4) A voting member not physically present at a general meeting of a Division may, if the Divisional Committee permits, be allowed to participate in the meeting by the use of technology that allows that member and the members present at the meeting to clearly and simultaneously communicate with each other.
- (a) A voting member participating in a general meeting of a Division as permitted in sub-clause (4) is taken to be present at the meeting and, if the member votes at the meeting, is taken to have voted in person.
- (5) A voting member of a Division may, in accordance with the procedures set out in Rule 30, appoint another voting member of the Division as their proxy to vote and speak on their behalf at a general meeting of a Division, as if the meeting was a general meeting of the Association.
- (6) The quorum at a general meeting of a Division shall be the presence physically, by proxy, or as permitted under sub-clause (4), of ten (10) voting members of the Association, whose membership is assigned to the Division, or 20% of the voting members of the Association, whose membership is assigned to the Division; whichever is the smaller number.
- (7) No business shall be transacted at a general meeting of a Division unless a quorum is present.
- (a) If within thirty (30) minutes of the time appointed for the commencement of the meeting, a quorum is not present:
    - i. the meeting shall stand adjourned to a place, date and time to

be fixed by the Divisional Committee; or

- ii. in the case of a meeting convened in accordance with sub-clause (2), the meeting must be dissolved.

- (8) At a general meeting of a Division:
  - (a) the President, or if absent, the Vice-President shall preside; or
  - (b) if the President and Vice-President are both absent, such one (1) of the remaining members of the Divisional Committee as are present and chosen by the voting members of the Division present at the meeting, shall preside.
- (9) Questions arising at a general meeting of a Division (other than the election of the Divisional Committee) shall be determined on a show of hands, or if demanded by not less than five (5) voting members of the Association whose membership is assigned to the Division, by ballot conducted in a manner that the meeting determines.
- (10) Each voting member of the Association whose membership is assigned to a Division, participating in a general meeting of the Division, is entitled to one (1) vote.
  - (a) Where there is an equality of votes on any question, the person presiding at the meeting may exercise a second or casting vote; and
  - (b) A casting vote may be exercised at the absolute discretion of the presiding member.

#### **5.2.4 Divisional Committee function and powers**

- (1) Subject to any directions given by the Board, or by the voting members of the Association whose membership is assigned to a Division, at a general meeting of a Division; the function of a Divisional Committee is to administer the affairs of the Division on behalf of the Association in accordance with its Rules, By-laws, policies and administrative procedures approved by the Board.
  - (a) A Divisional Committee cannot be directed to act contrary to the Rules, By-laws, policies and administrative procedures approved by the Board.
- (2) A Divisional Committee has, in the name of the Association, and within the limits of the financial resources available to the Division, power to:
  - (a) conduct activities that are consistent with the purposes of the Association;
  - (b) acquire, hold and dispose of real or personal property;

- (c) open and operate accounts and establish credit/debit card facilities only with the financial institution used by the Association;
  - (d) raise money through the receipt of grants, and the sale of goods and services; and secure the re-payment of monies owed as a debt or liability;
  - (e) authorise payments to staff, agents and contractors, and the payment of sitting fees and honoraria;
  - (f) appoint and remove staff, in accordance with the policies and procedures of the Association;
  - (g) appoint agents to act on its behalf, in accordance with the policies and procedures of the Association;
  - (h) enter into other contracts it considers necessary and desirable, in accordance with the policies and procedures of the Association;
  - (i) co-opt to the Divisional Committee for specific purposes, additional members of the Association whose membership is assigned to the Division, and other persons who are not members of the EIANZ;
  - (j) establish Branches to provide a focus for sub-groups of members of the Association whose membership is assigned to the Division; and to arrange and coordinate the activities of a Division in a particular geographic area;
    - i. Branches must not be established or operated as independent business centres;
  - (k) establish committees consisting of members of the Association whose membership is assigned to the Division, and other persons; with terms of reference it considers appropriate; and
  - (l) such other specified activities as the Board may assign.
- (3) A Divisional Committee may delegate its powers to an elected member of the Divisional Committee; and staff, contractors, or committees that are appointed by the Divisional Committee; other than this power of delegation.
- (a) Any delegation by a Divisional Committee must be in writing, and may be subject to conditions and limitations it considers appropriate.
  - (b) Any delegation by a Divisional Committee may be revoked in writing, in whole or in part, at its sole discretion.

### **5.2.5 General duties of members of a Divisional Committee**

- (1) As soon as practical after being elected or co-opted to a Divisional Committee, each member shall become familiar with the Rules, By-laws,

policies and administrative procedures approved by the Board, and all laws, legislation and regulations with which the Association must comply.

- (2) A Divisional Committee is collectively responsible for ensuring that a Division complies with the Rules, By-laws, and policies and administrative procedures approved by the Board, and all laws, legislation and regulations with which the Association must comply.
- (3) Divisional Committee members must exercise their powers and discharge their duties with reasonable care and due diligence:
  - (a) in good faith in the best interests of the Association; and
  - (b) for a proper purpose.
- (4) Divisional Committee members, and former Divisional Committee members, must not make improper use of:
  - (a) their position; or
  - (b) information acquired by virtue of holding their position;

so as to gain an advantage for themselves or any other person or to cause detriment to the Association.

#### **5.2.6 Divisional Committee membership**

- (1) A Divisional Committee shall consist of four (4) designated members:
  - (a) a President;
  - (b) a Vice-President
  - (c) a Secretary;
  - (d) a Treasurer;and can include undesignated members; and no more than three (3) co-opted members as appointed by the Divisional Committee.
- (2) The four (4) designated members of a Divisional Committee, and their nominators, must be voting members of the Association whose membership is assigned to the Division.
- (3) The undesignated members of a Divisional Committee, and their nominators, may be voting or non-voting members of the Association whose membership is assigned to the Division.
- (4) The designated and undesignated members of a Divisional Committee shall be elected for a term of one (1) year commencing at the close of the Annual General meeting, by the voting members of the Association, assigned to the Division, and present in person, by proxy, or as permitted under clause 5.2.3

(4), at the Annual General Meeting of a Division:

- (a) Twenty one (21) days prior to the date of the Annual General Meeting of the Division, the Divisional Committee shall call for nominations, by eligible members of the Association assigned to the Division, for the positions on the Divisional Committee.
  - i. Nominations are to be made in writing, to the Secretary of the Division, seconded by two eligible members of the Association.
  - ii. Nominations shall close at the commencement of the Annual General Meeting.
  - iii. Where no nominations for one (1) or more positions have been received by the commencement of the meeting, the chair of the meeting may call for and receive nominations in the appropriate form from the floor.
- (b) The nomination form shall contain a declaration by the nominee that they:
  - i. are a member of the Association eligible for election to the Divisional Committee;
  - ii. have not breached the Code of Ethics and Professional Conduct; and
  - iii. are not disqualified from managing a corporation within the meaning of the *Corporations Act 2001* (Cth) or the *Companies Act 1993* (NZ), whichever is applicable; and are not disqualified from being a responsible person of a registered charity under the *Australian Charities and Not-for-profits Commission Act 2012* (Cth)
- (c) The Divisional Committee shall appoint a member of the Association, assigned to the Division, to attend the Annual General Meeting and be the Returning Officer for the election.
- (d) Each voting member, assigned to the Division, and present at the Annual General Meeting of a Division physically, by proxy, or as permitted under clause 5.2.3 (4), shall have one (1) vote.
- (e) The ballot for each of the positions to be elected shall be a secret ballot conducted in accordance with the optional preferential system of voting.
  - i. In the event of there being an equality of votes for two (2) or more candidates, the Returning Officer shall exercise, at their absolute discretion, a second or casting vote.
- (f) Where there is only one nomination for a position to be elected, the person nominated shall be deemed to be elected.

Where there are no nominations for a position to be elected, the Divisional Committee shall, as soon as practical, act in an open and transparent manner to appoint an eligible person to fill the vacancy.

- (g) Where a casual vacancy arises on the Divisional Committee, it shall, as soon as practical, call for expressions of interest in the role, and act in an open and transparent manner to appoint an eligible person to fill the vacancy;
  - i. A person so appointed shall serve the unexpired term of the position vacated.

### **5.2.7 Resignation and removal of members of a Divisional Committee**

- (1) A member of a Divisional Committee may resign their appointment in writing, addressed to the President or the Secretary of the Division.
  - (a) A member of a Divisional Committee who fails to attend three (3) consecutive regular scheduled meetings, without leave of absence approved in writing by the Divisional Committee, shall be automatically deemed to have resigned, and a casual vacancy shall exist from the date of the third meeting.
  - (b) A member of a Divisional Committee who becomes disqualified from managing a corporation, within the meaning of the *Corporations Act 2001* (Cth) or the *Companies Act 1993* (NZ); or is disqualified from being a responsible person of a registered charity under the *Australian Charities and Not-for-profits Commission Act 2012* (Cth) must resign forthwith, and a casual vacancy shall exist from the date of resignation.
- (2) A member of a Divisional Committee may only be removed from office by reason of ill health and incapacity, or breach of the Rules and By-laws of the Association;
  - (a) on the recommendation, in writing, signed by an absolute majority of the elected members of a Divisional Committee; and
  - (b) in accordance with a resolution of an absolute majority of the members of the Board.

### **5.2.8 Divisional Committee operations**

- (1) A Divisional Committee shall regulate its meetings as it thinks fit, and may meet for the dispatch of business in person, by post, telephone or other means of electronic communication.
- (2) No business may be conducted at a Divisional Committee meeting unless a quorum is present.

- (a) The quorum for a meeting of a Divisional Committee is the presence, in person or by use of technology that allows the members to simultaneously speak with each other, of an absolute majority of its elected members.
  - (b) If within thirty (30) minutes of the time appointed for the commencement of the meeting, a quorum is not present, the meeting shall stand adjourned to a place, date and time to be fixed by the Divisional Committee.
- (3) At a meeting of a Divisional Committee:
  - (a) the President, or if absent, the Vice-President shall preside; or
  - (b) if the President and Vice-President are both absent, such one (1) of the remaining elected members of the Divisional Committee as are present and chosen by the members present at the meeting, shall preside.
  - (c) A Divisional Committee may, if it chooses, implement an alternative arrangement where the elected members of the Committee take turns to preside at meetings.
    - i. The implementation of the arrangement in (c) does not remove the right of the President to decide that, for a particular meeting of the Committee, the President or Vice-President will preside.
- (4) On any question arising at a meeting of a Divisional Committee, each elected member has one (1) vote.
  - (a) A decision is passed if a majority of elected members present at the meeting vote in favour of the decision.
    - i. In the event of an equality of votes, the member presiding at the meeting may exercise, at their absolute discretion, a second or casting vote.
  - (b) Voting by proxy is not permitted.
  - (c) Co-opted members of a Divisional Committee are not permitted to vote.
- (5) The members of a Divisional Committee must ensure that minutes are taken and kept of each meeting.
- (6) The minutes must record the following:
  - (a) the date, time and place of the meeting;
  - (b) the names of persons in attendance at the meeting, and the capacity of that attendance;

- (c) the business considered at the meeting;
- (d) any decisions taken at the meeting; and, where decisions on which a vote was taken, the results of the vote as recorded for each elected member;
- (e) any material personal or pecuniary interest disclosed under clause 5.2.7 and the action taken following that disclosure.

### **5.2.9 Conflicts of Interest**

- (1) A member of a Divisional Committee, whether elected or co-opted, who has a material personal or pecuniary interest in a matter being considered at a meeting must disclose the nature and the extent of that interest to the meeting.
- (2) The person:
  - (a) must not be present while the matter is being considered at the meeting; and
  - (b) must not vote on the matter.
- (3) This requirement does not apply to a material personal or pecuniary interest:
  - (a) that exists only because the person belongs to a class of persons for whose benefit a Division is established; or
  - (b) that the person has in common with all, or a substantial proportion of the members of a Division.

### **5.2.10 Sources and ownership of funds**

- (1) All funds, from whatever source, associated with and held by a Division are the property of the Association.
- (2) The funds for the operation of a Division may be derived from the receipt of grants and the sale of goods and services.
- (3) A Division may establish a credit/debit card facility but must not borrow funds for any other purpose.

### **5.2.11 Protecting the not for profit status of the association**

- (1) Any surplus funds or assets for the operation of a Division must not be distributed directly or indirectly to persons who are members of the Association.

- (2) Sub-clause (1) does not prevent a Divisional Committee from paying a person who is a member of the Association:
- (a) sitting fees or honoraria; or
  - (b) reimbursement for expenses properly incurred on behalf of the Division; or
  - (c) for goods or services provided on a competitive commercial basis;
- provided that this is done in good faith on terms no more favorable than if the person was not a member of the Association.

#### **5.2.12 Management of funds**

- (1) Through this By-law, the Board delegates to a Divisional Committee, within the limits of the financial resources available to the Division, authority to undertake all financial transactions associated with the operation of the Division.
- (2) A Divisional Committee must not operate with a balance sheet in debt , and must maintain reserve funds to meet its ongoing financial commitments for a period of six (6) months.
- (3) A Divisional Committee must not exercise its power to appoint staff, appoint agents, or enter into contracts, where to do so may compromise the achievement of sub-clause (2), without reference of the proposed action to the Board for its approval.
- (4) A Divisional Committee must open and operate accounts only with the financial institution used by the Association.
- (5) A Divisional Committee may authorise, in writing, one or more of its elected members, or permanent employees of the Association appointed by a Divisional Committee, to expend funds up to a specified limit without requiring the formal approval of the Divisional Committee for each item of expenditure.
- (6) All funds received in the name of a Division must be deposited into the accounts operated by the Division no later than seven (7) days after receipt.
- (7) All negotiable instruments of payment made in the name of a Division other than those made by an authorised credit card, must be signed or electronically authorised by:
  - (a) two (2) elected members of a Divisional Committee; or
  - (b) one (1) elected member of a Divisional Committee and one (1) person who is a permanent employee of, or contractor to, the Association appointed by the Divisional Committee.

- (8) With the approval of a Divisional Committee, credit/debit card facilities may be established with the financial institution used by the Association, for use by elected members of a Divisional Committee, or a permanent employee of, or contractor to, the Association appointed by the Divisional Committee, for the payment of accounts rendered and official expenses, provided:
  - (a) payments and the purpose of the payment is accurately recorded at the time of the transaction; and
  - (b) that transactions are regularly reconciled and reported to the Divisional Committee.

#### **5.2.13 Financial records**

- (1) A Divisional Committee must keep, using the same electronic accounting system used by the Association, financial records that:
  - (a) correctly record and explain the transactions, financial position and performance of a Division;
  - (b) enable financial statements to be prepared for the regular management of a Division; and
  - (c) enable regular financial statements to be prepared for the information of the Board.

#### **5.2.14 Auditing**

- (1) The financial and other activities of a Division shall be audited annually by an independent auditor appointed by the Board to audit the annual financial statements and activities of the Association.
- (2) The cost of preparing annual financial statements and conducting an annual audit of a Division shall be a charge against the general funds of the Association.
- (3) A Division shall collaborate in a timely manner with the Association's appointed accountant and the independent auditor, in the provision of information for the preparation of financial statements and the conduct of the annual audit.

#### **5.2.15 Reporting and consultation**

- (1) A Divisional Committee shall report annually to the members of the Division and the Association on the operations, achievements and financial performance of the Division through the annual report of the Association.
- (2) A Divisional Committee shall report each financial quarter year to the Board on the general performance, financial performance, and activities of the Division.

- (3) The Board and a Divisional Committee shall keep each other informed and consult regularly, through both the Advisory Council and directly, on matters that may affect the activities, operation and performance of the Division.

#### **5.2.16 Indemnity**

- (1) The Association shall arrange such insurance cover as is necessary to protect it, and persons acting on its behalf, from any liability arising from the operation of a Division.
- (2) The cost of such insurance cover shall be a charge against the general funds of the Association.
- (3) The Board shall keep the Divisions advised of the insurances arranged, providing details of certificates of currency, costs, and policy terms and conditions.
- (4) A Division shall ensure that it undertakes and documents appropriate risk management analyses for its operations, including activities and events; and implements appropriate risk management strategies to minimise the exposure of the Association and compliance with the terms of its insurance cover.

#### **5.2.17 Intellectual property**

- (1) A Division shall ensure that the intellectual property of the Association is protected, and that its use by the Division is consistent with the policies and administrative procedures adopted by the Board.

#### **5.2.18 Custody and inspection of books and records**

- (1) Any minutes of meetings of a Division and its Divisional Committee, financial records, books, securities and any other relevant documents relating to the administration of a Division, are books and records of the Association for the purpose of Rule 83.
  - (a) Copies of the minutes of meetings of a Division and its Divisional Committee shall be made available to members on the Association's website.
- (2) A Divisional Committee may recommend to the Board that it refuse to permit a member of the Association to inspect records relating to the administration of a Division that relate to confidential, personal, employment, commercial or legal matters, or where to do so may be prejudicial to the interests of the scheme.
- (3) A Division may not refuse to permit a member of the Board, or a person acting under specifically delegated authority of the Board, or the Association's accountants and auditor, to inspect records relating to the administration of a Division.

### **5.2.19 Winding up of a Division**

- (1) The Board may wind up a Division in accordance with a special resolution passed at a general meeting of the Association.
  - (2) In the event of a Division being wound up, all funds and surplus assets are to be returned to the direct control of the Association.
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