ANNEXURE B
APF MOVES TO COMPANY LIMITED BY GUARANTEE STRUCTURE

BACKGROUND TO SPECIAL RESOLUTION

At the upcoming Annual General Meeting and Conference, members are being asked to approve a significant change to the APF Constitution. While we currently operate as a not-for-profit association incorporated in the ACT, we are proposing to move to a Company Limited by Guarantee (CLG) which is the governance model preferred by larger National Sporting Organizations and recommended by the Australian Sports Commission.

APF is currently incorporated in the Australian Capital Territory, but has its headquarters in Queensland and operates Australia-wide. The association model is intended for state-based organizations while the APF is a National body and, the CLG model is much more appropriate for our size and the role we perform.

As a CLG, APF would retain its not-for-profit and tax exempt status. For all intents and purposes, there would be no apparent change to how the sport operates or how we conduct business. It would not affect individual members other than to: 1) clarify beyond doubt that only full-term members have voting rights, and 2) the mechanics of how the discipline system operates will be placed into regulations.

Area Councils would have the opportunity to remain as Incorporated Associations, or resolve to become Committees of the APF. Becoming a committee would simplify each council’s legal obligations to report to their respective State or Territory Governments. The CLG Constitution allows for each council to remain an association or become a committee, so Area Councils can leave this decision until after the CLG Constitution is put in place and properly bedded down. Those that now or later become a committee will have Terms of Delegation to document the relationship between APF and the Council.

While not actually part of the change to a CLG, there are some changes in the new company rules that may affect clubs and commercial centres. Under these changes the APF alone would decide which organisations may be approved as its members. Area Councils would have a part to play in the assessment process but actual approval would be an APF decision.

There are changes to the rules around governance which would be those for a company rather than an association. Australian Parachute Federation Incorporated would become APF Limited, but we would continue to refer to ourselves simply as the APF.

The Directors on the CLG Board need to understand that they would become Company Directors and be bound by Corporation Law which is very explicit regarding their duties and responsibilities. The APF is now a large organization with significant assets and a CASA-delegation to administer sport parachuting nationally. The Board needs people with a variety of skills and expertise. The current Board of APF Incorporated would automatically become the Board of APF Limited and no change would be apparent but we will seek to raise the skills and diversity of the Board over time.

As an individual member you have the right to vote for (or against) the move from an association to a company. Accordingly, members were asked to read the new CLG Constitution during the NPRM (notice of proposed rule-making) public consultation process, and provide comment. The Governance Committee has reviewed the comments and made any changes considered necessary. As far as possible the draft CLG Constitution endeavours to replicate what was in the association rules with the equivalent requirements for a company, but without changing the intent.

The Governance Committee has taken what APF lawyers, Lander & Rogers, drafted and massaged this to what the APF Board and Governance Committee considers is a very workable set of rules. The Committee recommends you vote to adopt the CLG Constitution.

If you are a current full-term member, voting is possible in three ways:

1) Attending in person and voting at the meeting.
2) If you are unable to attend personally you can give your proxy vote to someone attending as they can carry the proxy vote of up to 10 other members.
3) You can lodge a postal vote by downloading the postal vote form from the APF Website, which will be available closer to the date.

A change from the current association rules to the new company rule set requires 75% to vote for the motion. The President, Dave Smith is sponsoring the motion and Board Chair, Grahame Hill, is seconding the motion for and on behalf of the Board.

Dave Smith
APF President
Governance Committee Chair