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## **Governance: CATSI Act common rules.** What is Governance under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* or the **CATSI Act**?

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### **What you will need**

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- Art Centre Corporations Rule Book.
  - Access to the CATSI web site at <http://www.orac.gov.au/>
  - Information from your art centre such as an audit report, procedures manual, business plan or other.
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### **GLOSSARY: Words you need to understand**

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<b>Act</b>	A decision made by a Federal, State or Territory parliament which becomes law.
<b>Annual General Meeting</b>	A meeting of members, open to the public, held once each year after the financial audit. It is a law set in the constitution or rule book.
<b>Auditor</b>	A person qualified to check that the financial management of your organisation is correct.
<b>Constitution (Rule Book)</b>	A set of rules agreed to by the organisation which also abides by the law.
<b>Directors</b>	People who make up the governing body of a corporation (the board). They have authority over the corporation and are ultimately responsible for it.
<b>Financial Report</b>	A report which explains if the art centre has enough money in the bank to pay its bills, including artist payments.
<b>Governance</b>	Managing the activities, and planning the business of the art centre within the rule book (or constitution) of the organisation and the law.

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<b>Members</b>	People who have an interest in the business of the art centre and who fit the description for membership in your rule book.
<b>Minutes</b>	A written record of decisions made at a meeting.
<b>Motion</b>	An idea on the agenda for discussion at a meeting. A motion requires a discussion to see if most of the members support the idea, then it needs a mover and a seconder.
<b>Mover</b>	A member who puts a motion to a meeting.
<b>Office of the Registrar of Indigenous Corporations</b>	The office which supports and regulates the corporations that are incorporated under the <i>Corporations (Aboriginal and Torres Strait Islander Act) 2006</i> or CATSI Act.
<b>Policy</b>	A set of written rules that the board of directors has agreed to which guide how the art centre is managed.
<b>Quorum</b>	The minimum number of members required at a meeting to make decisions. The Rule Book (or constitution) will say what the minimum number (quorum) is.
<b>Rule Book (Constitution)</b>	A set of rules agreed to by the organisation which also abides by the law.
<b>Secunder</b>	A person who also agrees to put a motion to a meeting.
<b>Secret Ballot</b>	A vote where members write down on a piece of paper if they agree or disagree with a motion put to a meeting. This means that nobody knows how each member voted.
<b>Special General Meeting</b>	A meeting of members to make a special decision as required under the constitution or rule book.
<b>The Corporations (Aboriginal and Torres Strait Islander) Act 2006</b>	Also known as the CATSI Act, these laws guide the rule book for Aboriginal and Torres Strait Islander corporations.

**Vote** Members agree or don't agree to a motion in a meeting. For a meeting to agree with a motion, half the members plus one must agree to the motion. If this does not happen the motion is defeated.

## CATSI Act information

### Art Centre Corporation Membership

Your rule book describes who can become a member of your incorporated art centre. People who want to apply to be members must fit the description for Membership in your rule book. The directors must vote to accept new members at any meeting when they have received an application. Their application should be discussed at the next directors committee meeting.

- People who want to become members must apply in writing to the art centre directors. They only need to do this once.

The number of members you allow will affect how you manage decisions at General Meetings or at Annual General Meetings. If you want to make changes to your rules, or constitution, you must have a General meeting and a quorum of your members present to vote. Quorum is the minimum legal number of people accepted in the incorporation rules. Unless you have different rules, you need at least 2 people if your organization has 25 members or less.

- If you break the rules of your corporation, or you don't come back for a long time to meetings, you may be taken off the membership. This must be written down and clear reason shown why a person is removed.
- If you decide to resign, if possible, you must if possible put his in writing as well

Remember, sometimes someone will resign for very good reasons, like family care, health or because they are taking up a job. There is no shame in resigning if you are too busy to be part of the organization or your life has moved in a different direction.

All the members must be listed on a register of members. This must include their full name, date for becoming a member and their contact address.

- Another register needs to list all of the past members

## Directors on the board of your Art Centre

Your rule book describes the people who can be directors of your corporation. They are chosen from your membership at each Annual General Meeting (AGM).

Some things which your members must decide on, and which you must write into the rules are:

- the minimum age of directors.
- their Aboriginal or Torres Strait Islander heritage.

Some things you might add in through your own choice. For example, the gender-male or female – might be important. Members of a Women's Centre or a Men's Shed might need to be all women or all men.

You can never have a majority of non-Aboriginal people on your membership, or on your board. Most times your rules will say very clearly why a non- Aboriginal person might qualify, if at all.

**Remember, the board can seek information from outside the membership to help it make good decisions for the whole art centre.**

Your rule book describes how many people need to be directors. The directors form your **board** or **committee**.

If you have more than 3 art centre members you need between 3 and 12 Directors.

- You must have no more than 12 directors, unless you ask for a special exemption to have more.
- Not all your members have to be directors, as long as you have enough directors to represent the views of all the membership.

A person is elected to be a director for two years. The whole membership votes to appoint these directors. The elections take place at the Annual General Meeting (AGM). Each year some of the directors' positions become vacant.

- This does not mean that if you are a director who has served for two years you must step down. It means that you can stand again and if you are re-elected you go for another two years.

After the directors have been appointed at a general meeting, they have an ordinary board meeting where they decide on who will be the office bearers. This means giving some important jobs to people, for example voting for a chairperson and a secretary.

If you break the rules of being a director you may be removed from the board, and perhaps even the membership of your art centre. Here are some of the main things you need to be prepared to look after if you are made a director.

### **What is required of a director?**

Directors have a duty:

- of care and diligence not to improperly use their position or information.
- not to trade while insolvent.
- of good faith.
- to disclose conflicts of interest.

### **A director's obligations:**

As a director, together with the other board members, you will control the corporation's business. The corporation's rule book will set out the powers and functions of the board of directors.

A director has a common law right to inspect documents of the corporation, if required, in order to assess the corporation's performance.

### **A director must:**

- be fully up to date on what the corporation is doing.
- find out for himself or herself how any proposed action will affect the corporation's business performance, especially if it involves a substantial amount of the corporation's money.
- obtain outside professional advice when required in order to make an informed decision.
- ask questions of managers and staff through the chair at board meetings about how the corporation is going.
- take an active part in board meetings.

**Remember, only be a board member if you are willing to put in the effort.**

## Office Bearers

The directors must nominate office bearers from amongst themselves at the first general meeting, usually held immediately after the AGM.

The office bearers must include:

- Chairperson.
- Secretary.
- Treasurer.

They have various qualities and responsibilities and some of these are listed on the ORAC website, under a search for Office Bearers:

[http://www.orac.gov.au/search\\_site.aspx?Header=true](http://www.orac.gov.au/search_site.aspx?Header=true)

Briefly, some of the qualities of the various office bearers are:

### **Chairperson:**

The chairperson has a very important role in making sure the corporation runs properly. The qualities of a chairperson may include being:

- recognised as a person in the community with some leadership qualities.
- respected by the Aboriginal or Torres Strait Islander community and the local community in general.
- able to deal with different types of people.
- prepared to listen to different points of view.
- able to offer solutions to problems or come up with new ideas for the corporation.
- able to use his or her abilities for the good of the corporation.

### **Secretary:**

The position of secretary involves many clerical duties and so is better suited to a person who:

- Has the time to do all the work involved.
- Can use a computer.
- Is good at listening and good with written English.
- Is organised and able to work with others.

**Treasurer:**

It is helpful if the treasurer has a basic understanding of financial matters. The treasurer would also be required to assist the chairperson and the other directors to understand what is happening with the corporation's money and assets.

**Pecuniary Interests / Conflict of Interest**

This is when you have a personal interest in something the board must decide about.

- If you have an interest because you will be paid, or a relative will do well financially then you have a **pecuniary interest**.
- If you want to protect your own interest more than looking after all the members then you have a **conflict of interest**

When there is a meeting, the chairperson will ask everyone at the meeting if they have either pecuniary interests or conflict of interest to declare about anything listed on the meeting agenda. It's OK if you do have, it just means you may need to leave the meeting while they hold discussion and vote on that matter, or that you do not vote or talk about the matter in the meeting. You and the board will decide which action to take together.

If you do not tell the board about your conflict at the start of the meeting, or else when you realize it is happening, then you have done the wrong thing, and other members can challenge you about being on the board.

It's OK to represent your point of view and the views of people who trust you, who you represent. That is your job as a board member.

It's not OK to make things turn out better for your mob money way, just because you have the power to do that.

Everything should be kept fair and open so the members all understand the decisions the board makes for your art centre.

This way, if you keep it all up front and honest, you still have a good chance to work together to make the best decisions for everyone.

## Code of Conduct

You should have an agreement about behaviour that all the members, staff and visitors agree to abide by.

It sets out important stuff like respect, listening, being fair – that sort of stuff. Your **code of conduct** is what you can use to help decide if someone is doing the wrong thing or has broken a rule. It is there to keep your workplace a safe, happy, healthy one. This means your art centre will be much stronger.

## Annual General Meetings – AGM

The ORAC website says: “Is your corporation registered under the Aboriginal Councils and Associations Act?”

If it is, then your annual general meeting (AGM) should be held by 30th September each year.

You should check your corporation's rules to confirm the business to be conducted at that meeting.

The AGM is an important meeting held once a year to enable the board or committee to formally provide the members with reports about the corporation's business over the previous 12 months.

At the AGM the board provides the members with reports that must include the audited financial statements. A copy of the audit and minutes of the meeting need to be lodged with ORAC by 31 December along with a current list of members and a statement of compliance.

The AGM business includes:

- accepting the minutes of any previous annual general meeting.
- receiving the board's report for the year ended 30 June.
- electing new directors in accordance with the rules.
- appointing an auditor for the next year.
- conducting any other business covered under the rules.

If you are unable to hold your AGM by the end of September you must write to the Office of the Registrar of Aboriginal Corporations (ORAC) stating your reasons and requesting an extension of time to hold the meeting.

### **General Meeting – special purposes, whole membership**

General Meetings are held to discuss business which affects the corporation's rules or when big decisions need to be made. The whole membership are invited to attend and to vote at these general meetings.

- In order to change your art centre corporation to come under the new act (CATSI) you must hold a general meeting.

Any proposed changes to your rule book (constitution) must be lodged with the Office of the Registrar of Indigenous Corporations (ORAC) and requires the Office's approval.

It is important to note that some rules are changeable and some are not. Check with an expert or the Office of the Registrar for clarification.

### **Directors Meetings – regular meetings of the directors**

These must be held at least once every three months but may be held more regularly.

The directors' meetings provide a time and place to make decisions about art centre business. At these regular meetings, the directors receive reports and give guidance to the manager and staff.

Your art centre is expected to keep a record of meetings by taking minutes and these should be available to members, funding bodies and the Office of Registrar of Aboriginal Corporations (ORAC).

### **Quorum**

This is the minimum number of people needed to make a meeting legal. Your art centre rule book describes how many people you will need to hold a formal meeting and vote to make decisions.

Many art centres choose to have at least half the number of directors to constitute a quorum.

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## TIPS: Use the internet to find information

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There is plenty of information about the CATSI act and how to conduct good governance meetings on the ORAC website:

<http://www.orac.gov.au>

You can use the search function to locate specific fact sheets or you can search under your corporation's name.

There is more detail about running meetings under the sections called Organising a Meeting and Manage a Meeting.