OFFICIAL

CATSI Act Review

# Part 6—Meetings and reports

All Aboriginal and Torres Strait Islander corporations are required to hold an Annual General Meeting (AGM) unless they apply for an exemption from the Registrar. For some corporations, certain challenges may prevent them from holding an AGM as planned and within the timeframe prescribed under the CATSI Act. For corporations with geographically dispersed membership bases, it can be expensive to hold an AGM and sometimes difficult to form a quorum where members have been unable to travel for a meeting.

There were a number of recommendations in the CATSI Act Review final report aimed at streamlining meeting and reporting requirements for CATSI corporations.

**Items 100 and 110 to 113—AGMs for small corporations**

Recommendation 24 in the CATSI Act Review final report is:

*It is recommended the CATSI Act allow small corporations that generate little or no income from their operations to pass a resolution to not hold an Annual General Meeting for up to two years.*

This recommendation has been further clarified in drafting the CATSI Amendment Bill. Small corporations that are not registered entities with the Australian Charities and Not-for-profits Commission (ACNC) and that had less than $1,000 in consolidated revenue in the previous financial year, will be able to pass a special resolution not to hold the next one or two AGMs. The special resolution will also need to appoint directors until the next AGM is held to ensure the directors remain in place in the absence of an AGM. Directors cannot vote on that resolution, unless all members are also directors.

The appointment of directors takes effect immediately, however, the special resolution in relation to the AGMs does not take effect until a copy is lodged with the Registrar of Aboriginal and Torres Strait Islander Corporations (the Registrar). Corporations are required to lodge the copy within 28 days of making the resolution. Once the resolution is in place, the corporation is obliged to advise the Registrar if there are any material changes in its circumstances. The Registrar will have the power to direct a corporation to call and hold an AGM if satisfied there is a need.

**Item 101 and 103 to 105—Holding meetings virtually**

Special rules introduced by the Registrar to support Aboriginal and Torres Strait Islander corporations respond to COVID-19 restrictions enabled corporations to hold meetings and pass resolutions virtually. Consequently, corporations could meet more frequently and more people were able to participate in the meetings.

Recommendation 27 in the CATSI Act Review final report is:

*It is recommended provisions be incorporated into the CATSI Act that reflect the special rules introduced by the Registrar in response to COVID-19 that have enabled corporations to hold their meetings virtually, particularly voting.*

Item 101 allows the contents of a notice of a general meeting to specify that the meeting will be held at a specific place or via technology without a physical venue. Items 103 to 105 allow corporations to hold meetings virtually using a means that is accessible to members and that affords them a reasonable opportunity to participate. When holding a meeting virtually, corporations may need to use other types of voting mechanisms such as SMS, voting software, social media pages or other approaches. Item 105 enables the chair of a general meeting to decide how a vote will be held when a physical show of hands in not possible.

**Item 102—Changing meeting details**

Recommendation 25 in the CATSI Act Review final report is:

*It is recommended the CATSI Act be amended to allow directors to issue an updated notice of meeting—after one has already been issued—that would defer the meeting for up to 30 days of the original meeting date in the case of death, natural disaster and certain cultural activities in community, which may change one or all of the following: date; time; and place of the meeting.*

Item 102 (proposed section 201-37) enables an Aboriginal and Torres Strait Islander corporation to defer a meeting for up to 30 days after a meeting notice has already been issued. A deferral may include a change to the date, time and/or place of the meeting, and would be allowable in the case of death in a community, a cultural activity or natural disaster. This will make it easier for corporations to accommodate unexpected circumstances that make it difficult to hold a scheduled meeting.

**Items 102, 122 and 124—Cancelling meetings**

The CATSI Act Review included a recommendation relating to the cancellation of general meetings (recommendation 26):

*It is recommended the CATSI Act be amended to:*

* *include a replaceable rule in relation to the cancellation of general meetings; and*
* *allow the Registrar to cancel a general meeting.*

Item 102 (proposed section 201-38) enables directors of a corporation to cancel a general meeting—that is not one called by the Registrar—by resolution. This is a replaceable rule so if corporations do not want directors to be able to cancel meetings, or to be able to cancel only some types of meetings, they can include their own rules in rule books. Corporations are required to give notice of the meeting cancellation as soon as practicable.

Items 122 and 124 empowers the Registrar to cancel a general meeting or annual general meeting that he or she has called. This amendment is more limited than the recommendation which is that the Registrar have the power to cancel any general meeting. With the meeting cancellation provisions provided by item 102, a broader power for the Registrar was not considered necessary.

**Items 106 to 109 and 114 to 120—Automatic time extension for AGMs and to lodge reports**

The CATSI Act Review included two recommendations to enable corporations to access an automatic extension to hold their AGMs and lodge their reports in certain circumstances:

Recommendation 23: *It is recommended a CATSI corporation be able to access an automatic 30-day time extension to hold an Annual General Meeting where it notifies the Registrar before the period to hold the Annual General Meeting has expired that there is a death in the community, natural disaster, cultural activity or an unavoidable delay in the audit; and it has not notified the Registrar of an extension of time more than three years in a row.*

Recommendation 28: *It is recommended a CATSI corporation be able to access an automatic 30-day time extension to lodge reports where it has notified the Registrar before the period to lodge reports has expired that there is a death in the community, natural disaster, cultural activity or an unavoidable delay in the audit; and it has not notified the Registrar of an extension of time more than three years in a row.*

These items (items 106 to 109 and 114 to 120) will allow all corporations to activate an automatic, one-off extension of 30 days in which to hold an AGM and lodge their reports. These extensions are available where there has been a death in a community, a cultural activity, a natural disaster, or an unavoidable delay in the audit or review of the corporation’s report(s). Corporations cannot use this extension more than three years in a row (proposed subsection 348-10(5)).

**Item 121—Laying reports before an AGM**

Members are able to request copies of reports that have been prepared by corporations to submit to the Registrar. Recommendation 29 in the CATSI Act Review final report proposed members should have increased access to corporation information, stating:

*It is recommended CATSI corporations be required to lay before their Annual General Meeting any reports they have prepared to submit to the Registrar*.

Item 121 will require directors to lay before an AGM (where the corporation is required to hold an AGM after the end of a financial year) any reports they have been required to prepare and submit to the Registrar. Failing to do so is an offence that attracts a penalty of 5 penalty units. This requirement will provide greater transparency to members in relation to the operations of their corporations, including the finances.