

EXPLANATORY MEMORANDUM

Proposed Paddington Society Inc Constitution 2026

The Committee of The Paddington Society Inc. ("the Society") recommends to Members that the Society adopt a new Constitution.

1. Need to meet the requirements of the ACNC (Australian Charities and Not for Profits Commission)

The key reason for changing the Constitution follows on from the Committee's decision that the Society apply to the Australian Charities and Not-for-Profits Commission (ACNC) to be recognised as a charity. Charities have certain tax and accounting advantages. The Society has enjoyed these advantages in the past as a not-for-profit. However, the Australian Taxation Office has changed its requirements. These advantages are now most readily available to formally recognised charities. For the Society to apply for charitable status, it must comply with the ACNC requirement to include its Objects in the Constitution itself. The Society presently has a stand-alone set of Objects that were approved at a General Meeting in 2021. The Committee is confident that the proposed new Constitution, which has the Objects included in the Constitution, will satisfy this ACNC requirement. The Objects are unchanged from the 2021 version.

2. Other Changes

Together with the change noted above, the Committee recommends that Members adopt an additional provision, suggested by NSW Fair Trading, that the Committee may make decisions through the circulation of papers without meeting in person, e.g. by an exchange of emails. Clause 22 of the current Constitution enables the use of "technology approved by the committee". However, the Committee believes the provision in the Model Constitution provides a more robust authorisation to use video communication, emails, etc. Use of that provision to make decisions by the circulation of papers will be useful, e.g. in urgent situations and in December - January when important formal decisions need to be made, but it is difficult to get the Committee together in person.

3. Changing the Constitution

There are advantages in making these two changes by updating and replacing the entire Constitution. NSW Fair Trading supervises incorporated associations, usually community-based not-for-profits, and maintains a Model Constitution for those organisations.

The Society's Constitution was last updated in 2021, based on the then current version of the Model Constitution. NSW Fair Trading has since updated that version. While the current version is substantially the same as the 2021 version, it's been modernised, with new wording and a new lay out. The Committee recommends adoption of the new version (with the amendments below) as the Society's Constitution.

The Committee proposes Members retain a small number of provisions from the Society's current Constitution that the Society requires but which are not in the Model Constitution. These were added in 2021 and have been retained in the draft circulated to Members:

- Provision for household memberships

- Maximum size of the Committee - the Model Constitution sets a maximum of 7 Members, while the Society's Constitution allows up to 14 Members (it's been this number for some time)
- No nominations to join the Committee from the floor may be made at an AGM. Where there aren't the full number of nominations for the Committee, the Model Constitution allows nominations from the floor, while the Society's Constitution does not. This is because nominations from the floor would require the Returning Officer to make rushed decisions as to eligibility. Any vacancy is, therefore, to be treated as any other casual vacancy and referred to the first meeting of the new Committee.
- Increase the quorum at Committee meetings - the Model Constitution is 3 Members, the Society's Constitution is 6 Members.

A separate table compares the Society's 2021 Constitution and the proposed new Constitution.

4. Recommendation of the Committee

The Committee recommends that Members adopt the new Paddington Society Constitution 2026.

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