



AMMENDMENTS TO THE CONSTITUTION HUNTER BUSINESS CHAMBER LTD

EXPLANATORY MEMORANDUM

Background

In 2017, revisions were made to the Hunter Business Chamber (HBC) Constitution which, amongst other things, reduced the maximum number of directors from 15 to 10 and prescribed the process in relation to the appointment of eight (8) of those directors to be elected by the HBC membership.

Part 6.1(e) of the existing Constitution defines the composition of the ten (10) member board. As noted, eight (8) directors are elected from and by the membership, one is appointed by the Board drawn from the affiliated Local Chambers of Commerce (LCC) and one is the nominee of the Special member, the NSW Business Chamber Ltd (Business NSW).

Assuming eight candidates nominate and are elected as directors, there is no scope for a new Board to appoint additional directors to address shortcomings in corporate continuity, the skills mix or gender balance. The Board can only directly appoint to fill casual vacancies.

By putting the director roles up for election every two years, and in the event the LCC and NSWBC representatives are not re-appointed, there is a risk that all ten directors are 'newly' elected and any corporate continuity from the previous board is lost.

Current Situation

In early 2024, the Board began the process to consider ways to address the shortcomings. The process broadened and led to other matters such as modernising the provisions and format to contemporary standards and models and accommodate changes such as virtual meetings. Sparke Helmore were engaged to provide advice and guidance to draft the revised Constitution and supporting documents.

From the outset, it was clear the Constitution would need a considerable number of edits to bring it up to speed with model provisions to comply with company law. Given this prospect, the Board agreed to investigate a major re-draft, and have it done in a manner to comply with provisions of the Australian Charities and Not-for-Profit Commission (ACNC) which regulates and registers charities. Whilst HBC is not currently a charity, it does at face value satisfy the requirements to seek registration which would accrue taxation and other benefits and opportunity to the organisation.

The drafts have been subject to considerable consultation and engagement with internal stakeholders including

- the HBC directors,
- the Audit and Governance and Executive committees,
- the Honorary and Life membership committee,

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- the NSWBC and
- the legal advisers.

After several re-workings of the draft, in mid-2025, the final version of the document was agreed. The Board resolved to put the amended Constitution and supporting documents to the members at the 2025 annual general meeting (AGM). The amended Constitution will require 75% support of the members that vote at the AGM, either in person or via proxy in order for it to be adopted.

The package of documents comprises the following:

1. The revised Constitution
2. A summary of changes indicating the clause and reference of provisions in the current constitution and how they line up in the proposed new constitution and
3. A detailed document of the proposed changes to governance processes and provisions between the current and proposed new constitution.