



AUSTRALIAN COLLEGE OF RURAL AND REMOTE MEDICINE LIMITED

ACN 078 081 848

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Explanatory Memorandum

For adoption of a new Constitution

August 2026

This Explanatory Memorandum accompanies the proposed Constitution put forward for vote by the members of the Australian College of Rural and Remote Medicine Limited (**College**), as part of its process to modernise and simplify its governance structure.

1 BACKGROUND

To meet the ongoing needs of the College, the Board recommends the adoption of a new Constitution. The proposed Constitution is simplified and modernised and is drafted to facilitate contemporary good governance. The updated Constitution strengthens ACRRM's identity as a modern, nationally recognised health promotion charity with a governance framework which aligns with the expectations of the Australian Charities and Not-for-profits Commission (ACNC), reinforces our mission to improve health outcomes in rural, remote and First Nations communities, and positions us strongly for future funding, accreditation and partnership opportunities. It will modernise our foundations while keeping our purpose front-and-centre.

The updated Constitution provides more transparent member pathways. By formally defining membership classes, rights and obligations within the Constitution — rather than relying heavily on by-laws — members gain clearer visibility of how the College recognises Fellows, Registrars, General Members, Affiliates, life membership categories and others. This structure supports a more inclusive and representative membership community, while preserving the voting rights of existing members.

Importantly, the changes enhance the integrity and professionalism of the College's governance. Establishing a structured President-Elect → President → Past President pathway creates stability and continuity but also allows for the busy President to be able to share the load. Placing approval of Director remuneration directly in the hands of members increases transparency and accountability. These changes align ACRRM with contemporary governance standards across Australia's professional and charitable sectors and would be part of ACRRM's compliance with the ACNC's governance standards.

This Explanatory Memorandum sets out a summary of the substantive changes between the current and proposed Constitution and highlights amendments made following member consultation.

2 SUMMARY OF AMENDMENTS

Purposes of the College – clause 1

The purpose of the College is updated to be a health promotion charity with the explicit aim to prevent and control disease in rural, remote and First Nations communities. The language has been updated to highlight the College's focus on preventing and controlling disease. These changes will also give the College the ability to pursue further registration with the Australian Charities and Not-for-profits Commission (**ACNC**), in the category of Health Promotion Charity.

The supporting activities have been updated to be relevant to ACRRM's roles.

Powers of the College – clause 2

This section articulates the specific powers of ACRRM – it is a straightforward and common inclusion within a company's constitution.

Not-for-profit and charitable nature – clause 3

This includes modern not-for-profit clauses, including that income must be applied to purposes, only permitted payments can be made to members on fair terms with Board/By-law control, and handling of surplus gifts. The College's surplus assets must be distributed to an eligible recipient upon winding up of the College as required under Relevant Laws.

Membership structure – Clause 4

The updated Constitution provides a transparent pathway for members as they progress through their careers, for example, from student member to registrar member to Fellow member.

The proposed changes to the College's membership structure refine and consolidate the existing membership classes for new members (refer clause 4.2). Members who currently have voting rights will retain the right to vote while they remain in the same membership class, even if their member class does not have voting rights under the new Constitution. (Clause 4.3.5). Retired Fellows, Retired Members and Prevocational Members would not have voting rights under the proposed Constitution – currently Retired Members and Resident/Intern Members do have voting rights. Residents and interns are registered medical practitioners so they could choose to be either a Prevocational Member (non-voting) or a General Member (voting).

Membership classes are included at clause 4.2:

Member Class	Eligibility	Rights (see also clause Error! Reference source not found.)
Fellow Member	A registered specialist medical practitioner who holds a current Fellowship of the College in accordance with the By-laws.	Voting
Registrar Member	A registered medical practitioner who is enrolled in the College's fellowship training program or a registered medical practitioner who is enrolled in the ACRRM specialist international medical graduate pathway.	Voting
General Member	A registered medical practitioner working in rural generalist care, primary care, academic practice or who holds registration as a Specialist General Practitioner or Specialist Rural Generalist, who supports the Purposes of the College.	Voting
Prevocational Member	A registered medical practitioner who is working primarily at a prevocational stage of their career.	Non-voting

Member Class	Eligibility	Rights (see also clause Error! Reference source not found.)
Affiliate Member	A company, association, institution or person who is not a medical practitioner who supports the Purposes of the College, including any of the following categories of Affiliate Member: Health professional: An allied health professional or administrator. Medical Student: A person enrolled in an Australian Medical School undergraduate or graduate course. Other Student: A person enrolled in an Australian accredited undergraduate or graduate course in health. Retired Fellow: A former Fellow Member who has ceased medical practice. Retired Member: A former General Member who has ceased medical practice.	Non-voting Retired Fellow/Member exempted from paying College membership fees.
Life Fellow	A registered or retired medical practitioner who has provided exceptional service to the profession and/or the discipline of rural, remote and/or First Nations medicine, and who has demonstrated significant contribution to the College and/or health and wellbeing of rural, remote and/or First Nations communities. This membership class can only be awarded by a resolution of the Board.	Voting Exempted from paying College membership fees
Life Member	A non-medical practitioner person who has demonstrated significant contribution to the College and/or the health and wellbeing of rural, remote and/or First Nations communities. This membership class can only be awarded by a resolution of the Board.	Non-voting Exempted from paying College membership fees
Honorary Fellow Member	A registered or retired medical practitioner who has demonstrated significant contribution to the College and/or the health and wellbeing of rural, remote and/or First Nations communities. This membership class can only be awarded by a resolution of the Board.	Non-voting Exempted from paying College membership fees
Other	As determined by the Board and set out in the By-laws.	As set out in the By-laws

Becoming and Ceasing to be a Member – Clause 5

The cessation of members clause (5.3) has been modernised and includes automatic cessation of membership for: non-renewal by final notice; fees overdue 3 months; debts >1 year; untraceable for 3

months; eligibility is lost; bankruptcy/insolvency; medical registration lost/suspended; capacity lost; death/winding-up.

A disciplinary regime enables warning/fine/censure/suspension/expulsion for Unacceptable Conduct and other triggers with due process (min 1 month to respond, 75% Directors present/voting, appeal per By-laws).

General meetings – clause 6

The proposed constitution:

- requires that an AGM must be held each year with the business to include:
 - considering the Board's, financial and auditor's report;
 - appointing an auditor if that office is or will become vacant;
 - consider any other matter required by the Corporations Act or Relevant Laws; and
 - consider any special business, the general nature of which is specified in the notice of meeting.
- provides the Chair's powers in general meetings, as would be expected in modern governance.
- Updates the language and ability for members to made decisions by circular resolution (including by electronic voting) modernising the language and updating the technology when compared with the current Constitution.

Board – clause 7

	Current Constitution	Proposed Constitution
President	Voted by Members for two year term	President-Elect progresses to the President role
President-Elect	(not in current Constitution)	Nominations sought from eligible members. Elected by Members for one year President-Elect term and two year President term (unless vetoed by the College Council, in which case there will be an election for the president). Must be Fellow Member or Life Fellow.
Past President	May attend and be heard at Board meetings for 6 months after President term finishes, not entitled to vote.	College Council can decide that a President, at the end of their term, is appointed to the position of Past President for one year – a voting director position.
College Council Appointed Directors	Up to 5	Up to 4. Nominations sought from Fellow Members, Life Fellows and Retired Fellows. Nominations reviewed by the Nominations Committee. Directors appointed by College Council. Term is three years. Must be Fellow Member, Life Fellow or Retired Fellow.
Registrar Director	One Elected by members	One Nominations sought from Registrar Members. Nominations reviewed by the Nominations Committee. Registrar Director is appointed by College Council.

		Must be enrolled as a Registrar at the time of appointment.
Board Appointed Directors	Up to three directors, to be appointed according to skills and expertise. Term is three years or less.	Similar to current Constitution. Term of appointment is decision of the Board.

The proposed Constitution introduces the President-Elect model:

- The purpose is to promote greater sharing of the President's workload and to encourage greater certainty and opportunity around the planning and handover for the succession process.
- In this model, under ordinary circumstances, a person will serve as President-Elect for one year, President for two years, and (if decided by College Council) Past President for one year.

There is an additional requirement that at least 50% of the total number of Directors at all times must be Fellows of the College. Directors are not eligible to serve another term if they have served 9 years or more continuously until they have not been a director for at least 3 years. However, a President may be appointed to the position of Past President for a one year term even if their term as director will exceed 9 years.

As with the current Constitution, clause 7.16 provides for directors to be remunerated. However, the change with the proposed Constitution is that the decision for remuneration is a decision of Members (it is a decision of the Board under the current Constitution). Although this is not a requirement of the ACNC Standards, the change improves governance and transparency by removing the conflict of interest within the decision.

The proposed Constitution (at clause 7.16) also allows that College Councillors (excluding directors) and Committee members (excluding directors) may be remunerated by a decision of the Board. Although there is no intention at this time to introduce this, explicitly allowing this enables a decision to be made in the future if, for example, College Council roles expand responsibilities or time requirements. Remaining silent on this may result in confusion or ambiguity about whether this is allowed.

The remainder of clause 7 deals with eligibility to be a director, limits on the period of office, term of office of Directors, the process for filling casual vacancies, office bearers, director resignations, ceasing to be a director.

Board Powers – Clause 8

The proposed Constitution sets out the powers of the Board which are as would be expected under good governance: a general broad statement of powers, the ability to delegate, appointment of CEO, appoint the Secretary, make By-laws. The Board should consult with the College Council about By-laws relating to Member rights and/or College Council.

Board meetings – Clause 9

Although the language has been modernised, the proposed Constitution is largely the same as the current in relation to Board meetings. A difference is that a circulating resolution (i.e. out-of-session

decision) must be approved by all Directors who are entitled to vote on the resolution; the current Constitution does not require out-of-session decisions to be unanimous.

Committees – Clause 10

This clause enables the Board to convene committees and requires that it must convene a Registrar Committee. The Board is also required to convene a Nominations Committee (see clause 7.8) and Registrar Committee.

College Council – Clause 11

The proposed Constitution sets out the role of the College Council. The proposed Constitution reiterates that the College Council acts as an advisory representative body of the members and is not a committee of the Board. The College Council's role will generally remain the same as under the current Constitution. The College Council will have the following powers:

- to make recommendations to the Board;
- to raise strategic issues, develop papers for consultation and provide input to the Board on the development of the strategic plan including attendance at combined Board-Council strategic planning sessions;
- to appoint a Registrar Director and College Council Appointed Directors, and fill casual vacancies of the President, Registrar Director and College Council Appointed Directors.

The composition of the College Council will have some changes.

	Current Constitution	Proposed Constitution
Directors	All members of the Board	Directors are members of College Council but do not have the power to vote.
State and Territory representatives	Representatives from each State and Territory of Australia but no more than 3 representatives from any one State or Territory	One representative from each State and Territory, elected by the voting members of the respective State/Territory.
College Council Appointed Councillors	Up to 3	-
Other	such other categories of persons as may be determined from time to time by the Council.	Up to 4 appointed by College Council representing member interest groups.
Registrar	Although the Registrar Director is a member, no other Registrar is appointed.	One Registrar, appointed by the Registrar Committee
Aboriginal and/or Torres Strait Islander representative	-	One, appointed by the relevant Committee or interest group representing Aboriginal and Torres Strait Islander members.
Representative of Rural Doctors Association of Australia (RDAA)	-	One, who must be a Fellow Member of ACRRM, appointed by College Council on the recommendation of the RDAA.

College Councillors may not be elected or appointed if they have served nine continuous years. (clause 11.6)

Casual vacancies are filled according to the process for appointment, except for State and Territory representative casual vacancies which have less than half of the three-year term remaining. For these, nominations will be sought from the members, and College Council will appoint a person into the

position. If the vacancy for State/Territory representatives is more than 18 months, nominations will be sought from members and an election will be conducted.

The clause provides the College Council may appoint a Chair, Deputy Chair and other office bearers, but these must be voting member of College Council (i.e. a director cannot hold one of these positions). (clause 11.8)

College Council meetings – clause 12

This clause provides for proceedings of College Council and largely reflects the current Constitution.

Administration – clause 13

This clause relates to a change of name (authorising the Board to amend the Constitution according to a members' resolution to change the name), amendment of Constitution (by special resolution), the requirement that Board must keep accounts and appoint an auditor to undertake audits, inspection of records, service of notices, indemnification of officers, insurance, the common seal, definitions, interpretation, and transition provisions.

By-laws

As part of the process of simplifying and modernising the College's Constitution, certain procedures set out in the current Constitution are proposed to be moved to By-laws. By-laws sit alongside the Constitution and will allow for flexibility as they can be amended without the need for a special resolution.

The types of information that will now be included in By-laws include administrative processes relating to membership admission, the Nominations Committee, balloting, director and registrar eligibility (including a definition of 'Good Professional Standing') and committees.

Compliance with Regulatory Framework

The proposed Constitution reflects the complex regulatory environment that the College operates in, as a charity registered with the ACNC. This includes not only the *Corporations Act 2001* (Cth) (**Act**), but also other legislation which governs the College, including:

- *Australian Charities and Not-for-profits Commission Act 2012* (Cth);
- *Charities Act 2013* (Cth); and
- *Income Tax Assessment Act 1997* (Cth).

These are defined as "Relevant Laws" in the proposed Constitution and are referenced throughout to set out the framework with which the College and its Board must comply. The proposed Constitution also aligns the Board's powers with Relevant Laws and sets out that the Board may exercise all powers conferred on it by the Constitution and the Act, except for those powers that are required to be exercised by the members in general meeting.