

Private & Confidential

**Explanatory Memorandum
Constitution Review**

Parks & Leisure Australia

20 October 2025

1 Background

The Board of Parks & Leisure Australia (PLA) has engaged Moores, a law firm that specialises in not-for-profit governance, to undertake a review of and amend its Constitution. The outcome of that review was to prepare a new Constitution for PLA that:

- (a) improves clarity and addresses ambiguities in PLA's current Constitution;
- (b) supports modern governance practices, including in relation to the appointment of Board and Regional Council members;
- (c) includes a clear framework that establishes and regulates the meetings and proceedings of Regional Councils; and
- (d) streamlines the overall structure of the document.

2 Key differences between the current Constitution and proposed Constitution

The table in **Appendix A** of this memorandum outlines the key differences between the current Constitution and the proposed Constitution we have prepared for PLA. Members are encouraged to read the proposed Constitution in full, as the table does not cover every difference between the current Constitution and proposed Constitution.

Copies of the current Constitution and proposed Constitution are **enclosed** with this memorandum.

3 Annual general meeting

PLA's annual general meeting (**AGM**) will be held on **Tuesday 11 November 2025**. Among other matters considered at the AGM, members will be asked to consider a special resolution (i.e. a resolution passed by more than 75% of members present at the meeting who are entitled to vote) to replace the current Constitution with the proposed Constitution.

Appendix A

The following terms are defined and used throughout the table below.

A “**CLG**” is an Australian public company limited by guarantee. This is PLA’s legal structure.

The “**Constitution**” is PLA’s governing document. All references to the Constitution are references to the proposed Constitution we have prepared for PLA (unless stated otherwise). All references to clauses in the Constitution are references to clauses in the proposed Constitution (unless stated otherwise).

“**Corporations Act**” means the *Corporations Act 2001* (Cth).

All other technical terms (such as “ACNC”, “Board” and “special resolution”) have the definition given in the proposed Constitution.

Proposed clause(s)	Subject	Current clause(s)	Comments
	Tracking table		There is now a table on the first page that includes information about the history of the Constitution. It can be used to maintain an accurate history of any amendments made to the Constitution.
	Table of contents		There is now a table of contents on the second page of the Constitution that makes the document easier to navigate.
	Preamble		We have included a preamble at the start of the Constitution to acknowledge that PLA is the successor to the Royal Australian Institute of Parks and Recreation and The Australian Leisure Institute Incorporated. This establishes a link that may assist PLA to obtain any bequests in the name of either predecessor.
	Charity status		Although PLA is not currently registered as a charity with the ACNC, the Constitution has been drafted in such a way that it will support a future application for charity registration.
1	Name	1	The name of the company in the Constitution is Parks & Leisure Australia. This is defined as “the Company” in the Constitution.
2	Purpose and powers	2	This clause has been updated to support a possible future application to the ACNC for registration as a charity with an “advancing the natural environment” or “advancing education” subtype. The “purpose” of an organisation is different to the “activities” the organisation carries out in pursuit of its purpose – only the former is required to be expressed in its governing document. Accordingly, this clause is deliberately brief and broad so that: (a) there is maximum flexibility in relation to what activities PLA may undertake in pursuit of its purpose; and

			(b) the purposes of “advancing the natural environment” and “advancing education” have greater prominence.
3	Not-for-profit	3-4	The Constitution clearly defines PLA as a not-for-profit entity. It also prevents PLA from remunerating directors, consistent with clause 4 of PLA’s current Constitution.
	Membership		
4.1	General	11	PLA must have at least ten members, and there must be at least one member from each Region.
4.2	Eligibility	12(b)	To be eligible for membership, a person (including a body corporate) must: (a) be committed to PLA’s Purpose; and (b) meet any additional eligibility criteria applicable to their membership class set out in Schedule A of the Constitution.
4.3	Membership classes	12	Under clause 4.3 of the Constitution, the Board may, by resolution passed by 75% of all directors: (a) establish or abolish a membership class; (b) vary the eligibility criteria that apply to a membership class; and (c) vary or cancel the rights of obligations of members (including voting rights) in a membership class. This is similar to clause 12 of the current Constitution, which enables the Board to create membership classes. Eligibility criteria and voting rights for each membership class are set out in Schedule A of the Constitution.
4.4	Application	12(a)	Applications for membership must be made in writing and approved by the Board.
4.5	Admission	11(a)	The Board may accept and reject applications for membership at its discretion.
4.6	Joining fee and annual membership fee		This is a new clause which is consistent with PLA’s current membership fee framework. Under this clause, the Board may charge: (a) annual membership fees; and (b) joining fees for new members who are not admitted at the start of a financial year.

4.7	Register of members		This is a new clause which reflects the requirement to maintain a register of members in accordance with section 169 of the Corporations Act.
4.8	Ceasing to be a member	13-14	This clause lists the grounds upon which a person (including a body corporate) will cease to be a member. It distinguishes grounds applicable to natural persons (clause 4.9(a)(vi)) from grounds applicable to body corporates (clause 4.9(a)(vii)). Under this clause, members are no longer required to provide advance notice of resignation.
4.9	Discipline of members	15-18	This clause establishes how the Board may take disciplinary against a member who has: • not complied with the Constitution; • breached the member Code of Conduct (if any); or • otherwise engaged in conduct prejudicial to PLA. The procedure in this clause, which is similar to the procedure in clauses 15-18 of the current Constitution, is intended to provide procedural fairness throughout the disciplinary process.
4.10	Corporate Member representative	38	Under this clause, each organisational member must appoint an individual as its representative to act on its behalf. Appointments made under this clause may be standing appointments, which means that organisational members are not required to re-appoint a representative each time PLA holds a general meeting.
4.11	Liability of members	7	The liability of members is limited to \$10. This is the maximum that members may be asked to contribute towards satisfying PLA's debts and liabilities if PLA is wound up.
	General meetings		
5.1	Convening general meetings	20(b)-(c)	Under this clause: (a) the Board may call a general meeting; and (b) members with at least 10% of the votes that may be cast at a general meeting may request a general meeting (consistent with the threshold in clause 20(c) of the current Constitution). Clause 5.1(c)(ii) clarifies how requests to convene a general meeting can be delivered to PLA (being personally or by post, email or other electronic means).

			“Extraordinary general meetings” under the current Constitution are simply referred to as “general meetings” under the proposed Constitution. PLA’s “annual general meeting” under clause 5.6 of the proposed Constitution is the only general meeting that PLA is required to convene annually.
5.2	Changes to general meeting arrangements		This is a new clause which enables the Board to change the venue for, postpone or cancel any general meeting that it calls (excluding general meetings requested by members).
5.3	Entitlement to receive notice		This is a new clause which establishes that: • members and directors must be given notice of general meetings; and • while PLA is not a Charity, notice of general meetings must be given to any auditor appointed by PLA.¹
5.4	Notice of general meetings	21	This clause elaborates on what details must be contained in notices of general meetings.
5.5	Timing of notice	21	This clause establishes how much notice of general meetings must be given and the circumstances in which shorter notice of general meetings may be given.
5.6	Annual general meeting	19	Under section 250N(2) of the Corporations Act, CLGs are required to hold an annual general meeting at least once in each calendar year and within five months after the end of their financial year. These requirements will not apply to PLA if it is registered as a charity with the ACNC. Notwithstanding this, if PLA is registered as a charity, it will still be appropriate for PLA to hold annual general meetings in order to demonstrate accountability to members.
5.7	Chairperson of general meetings	24	The “chairperson” of a general meeting is different to the “President” of the Board. Under this clause, while the President will ordinarily be the chairperson of a general meeting, the chairperson could alternatively be the Deputy President (if any), a director or a member.
5.8	Quorum for general meetings	23	The quorum for general meetings is twenty Voting Members present for the whole meeting. This simplifies the quorum requirement under the current Constitution, under which a quorum is either 20 members or 10% of members present, whichever is lower.

¹ Charitable companies are not required to (but may still choose to) give notice of general meetings to their auditors under section 249K(1)(a) of the Corporations Act

5.9	Adjournment of general meetings	25	This clause establishes how the chairperson may adjourn a general meeting. It is similar to clause 25 of the current Constitution.
	Voting at general meetings		
6.1	Voting rights	30	The term “Voting Member” has been introduced to ensure that only members with voting rights (or their proxies or representatives) are entitled to vote at general meetings. It is defined in clause 23.1.
6.2	Method of voting	26, 28	While voting will ordinarily occur by show of hands or voice, a poll can be demanded by three or more Voting Members. This is consistent with clause 26(b) of the current Constitution.
6.3	Decisions of the members	27, 29	Under clause 6.3(a), questions arising for determination (other than special resolutions) will be decided by a majority of votes cast by members. Special resolutions may only be passed with the support of at least 75% of members (as described in the definition of “special resolution” under clause 23.1). Under clause 6.3(b), the chairperson will have a casting vote (in addition to a deliberative vote). This is consistent with clause 29 of the current Constitution.
6.4	Seconding		This is a new clause which establishes that it is not necessary for a motion to be seconded in order to be put to a vote.
6.5	Proxies	32, 34-35	This clause establishes that Voting Members may appoint a member as their proxy to act on their behalf at one or more general meetings. Allowing the chairperson to hold <i>directed</i> proxy votes (as per clause 6.5(d)) is common governance practice. These are proxy votes that <i>direct</i> how the chairperson must vote (rather than leaving the decision to the chairperson).
6.6	Use of virtual meeting technology in general meetings		This clause establishes that PLA may hold general meetings using any virtual meeting technology that is agreed to by the Board and gives participants a reasonable opportunity to participate in general meetings. In addition to allowing PLA to hold general meetings using virtual meeting technology (such as Microsoft Teams or Zoom), it aligns with amendments to the Corporations Act which have recently been introduced.
	Resolutions without meetings	37	Members will no longer be able to pass resolutions outside of general meetings. This is generally only appropriate for CLGs with a small number of members.
	Dispute resolution		

7	Dispute resolution		This clause establishes a process for resolving disputes that arise between and among members, directors and the organisation under the Constitution (e.g. in relation to non-compliance with the Constitution). In summary, if parties are unable to resolve a matter between themselves within 14 days of the dispute arising, they must attempt in good faith to settle the dispute by mediation. Under clause 7(f), mediators must not determine disputes. In other words, they cannot make binding decisions.
	Appointment and removal of directors		
8.1	Number and composition of directors	39-40	The Constitution establishes that PLA must have at least three and no more than ten directors. The Board will comprise: • up to five directors appointed by the Board, referred to as “Ordinary Directors” (clause 8.1(b)(i)); • up to one Regional Council President or Alternate Regional Director from each Region, referred to as “Regional Directors” (clause 8.1(b)(ii)); and • the immediate past President, provided that this individual consents to taking up office (clause 8.1(b)(iii)).
8.2	Eligibility		This clause sets out a list of eligibility criteria for directors. To be eligible for appointment to the Board, a person: • must be committed to PLA’s purpose; • must be a member (or a representative of an organisational member); • must consent in writing to be a director; • must have suitable qualifications, skills and experience to discharge the functions of a director; • must not be disqualified from managing a corporation within the meaning of the Corporations Act; and • if the Company is a Charity – must not be disqualified by the Commissioner of the ACNC from being a responsible person of a Charity. Any person who meets these criteria is referred to as an “Eligible Person” in the Constitution.
8.3-8.6	Ordinary Directors, Regional Directors, immediate past President and term of office	46-49	Clauses 8.3-8.5 establish how director positions are filled. In summary: • Ordinary Directors are appointed by ordinary resolution of the Board (clause 8.3); • each Regional Director position will either: (a) be filled by a Regional Council President; (b) be filled by an Alternate Regional Director; or (c) be vacant (clause 8.4); and

			the Board may appoint the immediate past President to the Board by ordinary resolution (clause 8.5). Clauses 8.6(a)-(e) establish how long Ordinary Directors, Regional Directors and the immediate past President will hold office for. Clause 8.6(f) establishes that an individual may be appointed as an Ordinary Director for more than one term of office, while clause 8.6(g) establishes that Ordinary Directors may not serve for longer than six consecutive years at a time (unless otherwise resolved by a 75% majority of the Board).
8.7	Ceasing to be a director	45	This clause lists the circumstances in which an individual will cease to be a director and largely mirrors clause 45 of the current Constitution.
8.8	Insufficient directors	44	This clause establishes how the Board may act if the number of directors is less than three (being the minimum number of directors under clause 8.1(a)).
8.9	Defects in appointment of directors		This is a new clause which establishes that an act done by, or with the participation of, a person who is not validly appointed as a director or committee member will not be invalidated by virtue of the person not being validly appointed.
	Alternate directors	58-59	The Constitution does not provide for the appointment of alternate directors. ²
	Board decision-making		
9.1	Convening Board meetings	56-57	This clause establishes how Board meetings can be convened.
9.2	Notice of Board meetings		Under this clause, directors must be given at least 48 hours' notice of Board meetings. However, the Board may unanimously waive this requirement in order to meet in emergency circumstances.
9.3	Quorum for Board meetings	61	The quorum for Board meetings is a majority of directors. This simplifies the quorum requirement under clause 61 of the current Constitution, under which a quorum is 50% of directors plus one.
9.4	Use of virtual meeting technology in Board meetings	56	Similar to clause 6.6 (discussed above), this clause establishes how Board meetings may be held using virtual meeting technology. It elaborates on the Board's ability to "confer electronically" under clause 56 of the current Constitution.

² Notwithstanding this, directors can still appoint alternate directors under section 201K of the Corporations Act.

9.5	Chairperson of Board meetings	63	Similar to clause 5.7 (discussed above), the “chairperson” of a Board meeting is different to the “President” of the Board. Under this clause, while the President will ordinarily be the chairperson of a Board meeting, the chairperson could alternatively be the Deputy President (if any) or another director.
9.6	Decisions of the Board	67	As with clause 67 of the current Constitution: • questions arising at Board meetings are to be determined by a majority of votes of directors present and entitled to vote; and • the chairperson will have a casting vote if the votes cast on a motion are equal.
9.7	Resolutions without meetings	62	This clause establishes a framework for passing Board resolutions without convening a Board meeting. It elaborates on clause 62 of the current Constitution. In summary, the Board may pass a resolution without holding a meeting (by circulated email, for example), provided that at least 75% of directors entitled to vote on the resolution approve the resolution in writing within five business days of the resolution being circulated. The five business day time limit is intended to provide certainty about when resolutions of this nature have expired.
	Directors’ powers and duties		
10.1	Powers of the Board	50-55	Clauses 50-55 of the current Constitution (now clause 10.1 of the proposed Constitution) have been streamlined, as CLGs have the powers described in the Corporations Act regardless of whether they are set out in their governing document.
10.2	Duties of directors		This clause establishes that directors must comply with duties imposed on them by law.
10.3	Establishment of committees	63-67	The Board may establish committees under this clause. The meetings and proceedings of committees may be subject to any terms of reference and/or delegation from the Board. The Executive will continue to be a committee of the Board under this clause (notwithstanding that there is no express reference to the Executive in the Constitution).
10.4	By-laws	50	The Board may make regulations or by-laws for the general conduct and management of PLA and the business of the Board.
	Directors’ interests		

11	Directors' interests		This is a new clause which establishes how directors are required to manage conflicts of interest. It aligns with the obligations to disclose and manage material personal interests under the Corporations Act. In summary, if a director has a perceived or actual material conflict of interest, the director: • must disclose the conflict of interest (clause 11.1(a)); • must not be present during any discussions relating to the conflict of interest or vote on any matter relating to the conflict of interest (clause 11.1(b)); • may be present during discussions relating to the conflict of interest or vote on a matter relating to the conflict of interest if an exception under clause 11.1(c) applies; and • may undertake any of the actions under clause 11.2 provided that the director complies with clause 11.1. The Board has implemented a Conflicts of Interest Policy, which supplements this clause, and maintains a Conflicts of Interest Register which is reviewed at each Board meeting,
	Office Bearers and Chief Executive Officer		
12.1	Appointment of Office Bearers	41(a), 42, 46(b)	The Office Bearers of PLA include a President and a Deputy President. Under this clause, directors will select Office Bearers from among themselves annually and Office Bearers may hold office for more than one successive term.
12.2-12.3	Secretary and Chief Executive Officer	77	Clause 77 of the current Constitution combines the position of Secretary with the position of Chief Executive Officer. The proposed clauses 12.2 and 12.3 distinguish the position of Secretary from the position of Chief Executive Officer (however it will still be possible for a single individual to hold both positions). Clause 12.2 reflects the Board's statutory obligation to appoint at least one Secretary.³
	Regions, Regional Councils and Executive Officers		

³ See section 204D of the Corporations Act.

13	Regions		This is a new clause which reflects the definition of “Region” in the current Constitution. It establishes that the number of Regions and the name and geographic area of each Region in Schedule C can be amended by resolution of the Board at any time.
14	Regional Councils	68-76	This clause: • provides that each Regional Council must be established and carry out its meetings and proceedings in accordance with the Terms of Reference in Schedule D of the Constitution (clause 14.1); • clarifies the terms upon which the Board may delegate, and suspend or revoke delegation of, its powers (including management of the day-to-day operations of the Regions) to Regional Councils (clause 14.2); and • sets out the circumstances in which the Board may remove and replace councillors from a Regional Council (clause 14.3). Together with Schedule D, this clause streamlines the framework for Regional Councils under clauses 68-76 of the current Constitution. There are separate comments on Schedule D below.
15	Executive Officers	78	This clause establishes that the Company may appoint up to one Executive Officer in each Region, remove Executive Officers (subject to any contract between them and the Company) and delegate to Executive Officers. This clause does not establish any relationship between Executive Officers and Regional Councils as the Company is ultimately responsible for the engagement of Executive Officers (and accordingly the Board is responsible for managing their engagement).
	Other provisions		
16	Awards	86	This clause has been updated to reflect that awards are not given by special resolution of PLA members. Instead, the Board is responsible for determining how awards may be given. Awards may only be given in accordance with any categories or membership established by the Board.
17	Indemnities and insurance	87-89	Clause 17 streamlines clauses 87-89 of the current Constitution. In summary, under this clause, PLA indemnifies past and present directors, officers, councillors and Executive Officers against losses and liabilities incurred by virtue of their position. (The term “officer” is defined in the Corporations Act – it covers directors and the Secretary and is likely to also cover the Chief Executive Officer.)

18.1	Minutes and records	80	This clause largely reflects clause 80 of the current Constitution. It establishes how the Board must maintain minutes of meetings and records of resolutions passed at meetings.
18.2	Members' access to Company records	82	This clause reflects PLA's obligation to give members access to the Register in accordance with the Corporations Act
18.3-18.4	Execution of documents	79	Under clause 18.3, PLA will no longer need to have a common seal. The requirement to keep a common seal in safe custody creates unnecessary administrative burden and risk. Documents can be executed without a common seal under clause 18.4 by the signature of two directors, one director and the Secretary or such other persons authorised by the Board.
19.1	Accounts and other records of the Company	81	Under this clause, PLA must retain its records for at least seven years (in line with its obligations under the Corporations Act).
19.2	Audit	84	PLA is required to appoint an auditor in accordance with this clause.
19.3	Financial year		This clause establishes that PLA's financial year will begin on 1 July and end on 30 June.
20	Amending this Constitution		This clause establishes that the Constitution may only be amended by special resolution of the members in accordance with the Corporations Act.
21	Notices	85	This clause sets out how notices of general meetings and Board meetings may be given to members and directors.
22	Winding up	8	Under this clause, PLA's surplus assets (if any) upon winding up may only be distributed to organisations with similar purposes to PLA.
23.1	Definitions		This clause defines key terms used throughout the Constitution.
23.2	Interpretation		This clause establishes how certain terms and references to legislation throughout the Constitution are to be interpreted.

23.3	Exclusion of replaceable rules		This clause establishes that the replaceable rules in the Corporations Act do not apply to PLA.
24	Transitional provisions		This clause will ensure that all members and directors prior to the proposed Constitution being adopted will continue to be members and directors once the proposed Constitution is adopted. Additionally, clause 24.2 will ensure that time served by directors prior to the adoption of the proposed Constitution will be taken into account for the purpose of calculating their time in office.
	Schedules		
Schedule A	Membership classes		Schedule A lists all membership classes and the eligibility criteria and voting rights for each membership class as at the date of adoption of the proposed Constitution. It can be amended by the Board in accordance with the procedure set out in clause 4.3.
Schedule B	Proxy form		Schedule B includes a proxy form which Voting Members can use to appoint proxies to vote on their behalf at general meetings.
Schedule C	Regions		Schedule C sets out the name and geographic area of each Region. It can be amended by the Board in accordance with clause 13(b).
Schedule D	Regional Council Terms of Reference	68-76	Schedule D sets out how Regional Councils are to be established and carry out their meetings and proceedings. In summary: - Each Regional Council must have no more than 15 councillors in total (clause 1.1), comprising: - up to ten individuals who are either elected by members within each relevant Region (clause 3) or appointed as additional councillors by a Regional Council (clause 4); and - up to five individuals who are co-opted by a Regional Council (clause 5). - The election of councillors under clause 3 will be conducted by each Regional Council and the results of each election will be announced by the President of the Board at PLA's annual general meeting. - An individual must meet the criteria in clause 2 to be eligible for appointment or election to a Regional Council. Importantly, an individual must be a member within the Region of the relevant Regional Council. - Councillors are elected for the terms outlined in clause 6. Elected councillors will serve for up to two years (clause 6.1), while appointed and co-opted councillors will serve for up to one year (clause 6.2).

			• An individual will cease to be a councillor in any of the circumstances listed in clause 7. • Under clause 8, each Regional Council must meet at least four times each year. • Clause 9 establishes a framework for appointing office bearers among councillors in each Regional Council (including a Regional Council President). • Under clause 10, Regional Councils are required to submit an annual budget and operational plan for the Board to approve. This largely replicates the framework under clause 69 of the current Constitution. • Regional Councils are required to report to the Board and provide documents and information in relation to their management and operations in accordance with clause 11.
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