



**Waterfall
Way CLT**^{LTD}

HOMES FOR LOCALS



Waterfall Way Community Land Trust: Plain English Guide to Constitution

Acknowledgement of Country.

Jagun yaam Gumbaynggirr. We acknowledge the Gumbaynggirr People as the traditional custodians of the land on which we live and work, and pay our respects to all Elders and First Peoples past, present and emerging. Always was, always will be.

Version Control

| Version | Date | Notes |
|-------------------------------|------------|-------------------------|
| WWCLT Plain English Guide 1.0 | 10/09/2025 | First published edition |
| | | |
| | | |

Disclaimer: AI (specifically ChatGPT) was used to help write and review sections of this guide to ensure consistency with the formal constitution document and the use of standardised plain English wording and layout.

We are also grateful for the support from Minter Ellison in reviewing and providing valuable feedback on this guide and their work on the full WWCLT Constitution.

Table of Contents

| | |
|---|----------|
| What is a constitution..... | 2 |
| How to use this guide | 3 |
| Community / Land / Trust..... | 4 |
| Introductory Sections: Preamble, Preliminary, & Charitable Purposes and Powers | 5 |
| Preamble..... | 5 |

| | |
|---|-----------|
| Preliminary | 7 |
| Charitable Purposes and Powers | 8 |
| Limited Appreciation: Keeping Housing Affordable for Future Buyers | 11 |
| Who is involved: General Members, Resident Members and Directors | 12 |
| General Members | 12 |
| Resident Members..... | 13 |
| Directors (Members of the Board)..... | 14 |
| Composition of Board | 14 |
| Election and Appointment of Directors | 15 |
| Powers and Duties of Directors | 17 |
| Meetings, Disputes & Decision-Making: Key Processes | 20 |
| Different types of meetings..... | 20 |
| Annual General Meeting | 20 |
| General Meetings | 20 |
| Directors' Meetings..... | 22 |
| Dispute Resolution & Disciplinary Procedures | 24 |
| Dispute Resolution..... | 24 |
| Disciplinary Procedures..... | 25 |
| Miscellaneous | 27 |
| Secretary..... | 27 |
| Minutes and Keeping Records | 27 |
| Financial and Related Records | 27 |
| By-Laws | 27 |
| Notice (Official Communication)..... | 27 |
| Financial Year | 28 |
| Protection for Directors and Secretaries..... | 28 |
| Closing the Company (Winding Up)..... | 28 |
| Where to find more information:..... | 29 |

What is a constitution

- A **constitution** is a set of rules that explains how a company is governed. It outlines things like:
 - The **purpose** of the organisation
 - Who can be a **member**
 - How **decisions** are made
 - The **roles and responsibilities** of key people (e.g., board members)
 - How **meetings and voting** work
- The constitution helps ensure that the company operates with **fairness, transparency, and good governance**, and in **accordance with the law**.
- The constitution is a **legal agreement** between the company and all of its members.

- The constitution is one of the **key governance** documents of the WWCLT.

The constitution focuses on how Waterfall Way CLT Ltd (WWCLT) operates and makes decisions as a company. It does not cover every aspect of the CLT. There will be other documents that relate to specific aspects such as the Deed of Agreement which is the shared ownership contract between Resident Members and WWCLT.

How to use this guide

- This document is a companion guide to the WWCLT constitution.
- This guide uses **wording that is easier to understand** and less technical jargon to explain the key aspects of the constitution.
- It has been developed to help people get a **general understanding** of the constitution and the terms and processes used in that document.
- At the start of each section there is an **orange text box that contains a general definition or explanation** of that section of the constitution.
- Alongside the text there may be a C, L or T – this is designed to show which aspect of the housing model is being covered (further information below)

The guide **does not replace or vary the constitution** and should not be relied on instead of the constitution. It is simply intended to guide you in your reading of the constitution.

Every company is required to have governing rules and all members of WWCLT should support the company purpose and understand the constitution. Members should reach out to the WWCLT Board if they have any questions about the WWCLT constitution.

Community / Land / Trust

It can be helpful to break down the three key elements of the Community Land Trust (CLT) model. Each part—**Community**, **Land**, and **Trust**—plays an important role. In this guide, and in the accompanying factsheets, we'll explore these elements both separately and together, showing how they work to create a strong, lasting housing solution.

To help you navigate the guide, we'll use the letters **C**, **L**, and **T** to show which part of the CLT model is being addressed in each section of the constitution.

A note on 'Trusts':

In many countries, CLTs are set up using a legal structure called a *Trust*. However, in Australia, this isn't possible. Under Australian law, the people who benefit from a Trust can't also be involved in running it. This creates a challenge for CLTs that are committed to community and resident-led decision-making.

Even so, WWCLT has chosen to keep using the word **Trust** for two main reasons:

1. **To reflect a deeper meaning of trust.** Beyond the legal structure, the term *Trust* also expresses our commitment to strong, transparent governance. We aim to build and maintain trust with our community, residents, donors, and key partners, including government agencies.
2. **To stay connected with the international CLT movement.** Using consistent language makes it easier to share resources and ideas across borders. It also leaves the door open for future legal changes in Australia that might allow Trust structures—or the legal separation of land and housing—to become more viable.



Introductory Sections: Preamble, Preliminary, & Charitable Purposes and Powers



Preamble

A **preamble** is a brief introductory statement that explains the **purpose, values, and guiding principles** of the company.

It sets the context for the constitution but is usually not legally enforceable. Instead, it provides a **vision or philosophy** that guides the interpretation of the rest of the document.

Why we started this group:

- We are local residents who care about our community and want to make sure people have secure and affordable housing.
- We formed the Waterfall Way CLT Ltd (WWCLT) to address the national housing crisis affecting the Bellingen Shire and surrounding areas.
- This region has a history of innovative housing and community led solutions. We want to build on that legacy to ensure our communities remain vibrant, diverse and inclusive.

The Housing Problem:

- Affordable housing is disappearing, and many people can't find a secure home in their community.
- Local residents, including workers, families, and others with low incomes, are struggling to find homes.
- Many people are being forced to leave or live in unstable situations because housing is too expensive.
- Local workers, like nurses and teachers, have even been living in their cars or tents because they can't access housing they can afford.

Why it matters:

- Without affordable and stable housing, people can't fully participate in society or live healthy lives.
- Key workers and young families are leaving the area because of the high cost of living and lack of affordable housing.

Our solution:

- We want to ensure everyone has a place to call home, even if they can't afford the high cost of housing.
- We've created the Waterfall Way CLT Ltd (WWCLT), a community-led project that focuses on affordable housing now and into the future.
- We are working with the Bellingen Shire Council and other partners to find local solutions.

What is a Community Land Trust (CLT)?

- CLTs make housing affordable by taking the land off the market, which lowers the cost.
- CLTs are not-for-profit groups that involve the community in decision-making.
- People living in CLT homes typically enter into one of two forms of shared ownership: either a modified shared equity model, where the resident and the CLT are co-owners listed on the property title; or a long-term ground lease arrangement, where the resident owns the home but leases the land from the CLT. In both cases, the CLT retains an interest in the land to preserve long-term affordability and community benefit.
- The homes stay affordable forever, and in the future, we may also be able to provide affordable rental and temporary housing.

How we get land for CLTs:

- CLTs rely on donations, long-term leases, or partnerships to get land at no or low cost.
- CLTs can also use activities like social enterprise businesses, farming and renewable energy to help fund the CLT goals.

Our goals:

- We aim to provide affordable and sustainable homes for locals, including low to moderate-income earners who are struggling with housing costs.
- We want to create environmentally responsible housing and help the community adapt to climate change.

Respecting Indigenous sovereignty:

- We acknowledge the Gumbaynggirr people as the Traditional Custodians of this land.
- We commit to working with Gumbaynggirr people and other First Nations people to find housing solutions together.

Building an inclusive community:

- We are focused on fostering a community that values cooperation, democratic control, and community support.
- We follow the [International Cooperative Principles](#) to guide our work and will collaborate with other cooperative groups to achieve our goals.

Our vision for the future:

- We want to ensure that our towns and villages thrive and that everyone in the community can live in secure, affordable, and sustainable housing.

For full details; see WWCLT Constitution p.4-5

Preliminary



The **Preliminary** section of a constitution sets the foundation for the document. It typically includes:

- **Name of the Organisation** – What the group or entity is officially called?
- **Type of Organisation** – What is the legal structure being used?
- **Definitions** – Key terms used in the constitution are defined.

Name of the Company

The organisation is called **Waterfall Way CLT Ltd** (we'll call it "the company" or WWCLT in this document).

Type of Company and Liability of Members

WWCLT is a **not-for-profit 'company limited by guarantee'**.

- It does not operate to make a profit for individuals. Any income or profits must be used to further the charitable purpose of the company.
- It is **limited by guarantee** (which means members agree to pay a small 'guarantee amount' if the company closes and has debts which it cannot pay). The 'guarantee amount' is \$50. This applies while you are a member and for **12 months after you stop being a member**. The members of the company are otherwise not personally responsible for the debts of the company.
- The company will apply to become a registered charity, at which point it must always follow the laws which apply to charities

How the Constitution Works with the Law

The constitution explains the rules for how the company operates. If any part of the WWCLT constitution conflicts with any mandatory requirements in the **Corporations Act** or any **charity laws**, those laws will apply instead. The 'replaceable rules' set out in the Corporations Act do not apply to the company.

Charitable Purposes and Powers



The **Charitable Purpose and Powers** section is one of the most important parts of the constitution. It sets out what the company is here to do—its **core mission**—and what it is legally allowed to do to achieve that mission.

In short, this section defines both **the “why” and the “what”** of the company —and sets the boundaries for how it can operate.

Purpose of the Company

WWCLT has been set up to become a **charity** that helps people in the **Bellingen Shire** and nearby areas who cannot fund their own secure housing – which means they can't afford a modest standard of living. In the constitution, these people are called **Persons in Benevolent Need**, to match the usual language used by the Australian Charities and Not-for-profits Commission (**ACNC**).

The company can support Persons in Benevolent Need by:

- **Providing land for affordable housing** – Keeping land out of the private market to make housing permanently affordable.
- **Developing secure, low-cost housing** for those in need.
- **Offering temporary or emergency accommodation** for people facing homelessness or hardship.
- **Running other community projects** that support this goal.

These are called the company's '**charitable objects**'. This is what we refer to them as in the rest of this document.

What the Company Can Do (Powers)

Under Australian law, WWCLT has the same legal powers as an individual and all the rights of a **company limited by guarantee** as long as it uses those powers to achieve the charitable objects (e.g. to enter into contracts, buy land, etc).

Not-for-Profit Status

- The company **cannot share profits** with its members.
- All money and assets of the company must be used for the company's charitable objects.
- The company **can** pay members if:
 1. They supply goods or services at fair prices and
 2. The goods or services support delivering part of the company's charitable objects.



Following charity law

The company must always comply with **all not-for-profit laws** (e.g. in relation to fundraising, charities and the applicable tax laws).

Note: Charity Status

WWCLT has been set up with the intention of becoming a registered charity with the ACNC. At the time of writing, the charity registration process is still underway, and WWCLT has not yet been granted registration as a charity or Public Benevolent Institution (PBI) status (which is a type of charity).

However, the organisation's **Charitable Objects** remain unchanged, regardless of its current registration status.



Understanding Key Terms:

Australian Charities and Not-for-profits Commission (ACNC)

The ACNC is the national regulator of charities in Australia. It sets the rules for registering as a charity and monitors whether registered charities meet their legal obligations. Registration with the ACNC helps build public trust that a charity is operating responsibly and for the public good.

'Public Benevolent Institution' and 'Persons in Benevolent Need' are terms used by the ACNC to assess whether an organisation qualifies as a charity, and what kind of charity it is. Each has a specific legal meaning, so it's important to understand them in context.

Public Benevolent Institution (PBI)

A PBI is a specific category of charity recognised by the ACNC. This classification is important because it affects things like tax concessions and eligibility to obtain *Deductible Gift Recipient* (DGR) status, which allows donors to claim tax deductions. To be registered as a PBI, an organisation must meet strict criteria about the nature of its work and who it helps.

Persons in Benevolent Need

This term helps the ACNC decide whether a charity qualifies as a PBI. According to the ACNC, a person is in benevolent need "*if they cannot afford to obtain all that they need for a modest standard of living.*"

(Source: ACNC, CIS PBI, p.7)

WWCLT uses this definition to guide our work and ensure our charitable purpose aligns with legal requirements.

Changing the Constitution



The WWCLT Constitution has been deliberately designed to make significant changes difficult. This is to ensure that the company stays true to its mission and that decisions affecting its future are made with broad support.

Here are the key points about how changes to the constitution can (and cannot) be made:

- **Strict rules apply.** There are clear requirements about who can propose changes, how much notice must be given, and how many people must agree for a change to go ahead. These rules are in place to make sure any proposed changes are well thought out and widely supported.
- **Changes must be approved by members.** Only members—not the Board of Directors—can vote to change the constitution. Directors do not have the power to make changes on their own.
- **A special resolution is required.** Any change must be passed by a *special resolution*. This means at least **75% of all members present and entitled to vote at a general meeting** must vote in favour. The resolution must also be supported by a majority of both **General Members and Resident Members**, ensuring balanced decision-making.
- **Changes take effect immediately**, unless a future start date is specifically included in the resolution.
- **Some changes are not allowed.** Members **cannot make changes** that would affect the company's **charitable status** or conflict with the legal requirements for being a registered charity.

These safeguards are designed to preserve the integrity of the company and ensure that its core purpose and structure remain aligned with community and charitable values—now and into the future.

Limited Appreciation: Keeping Housing Affordable for Future Buyers



A key feature of a Community Land Trust (CLT) is what happens when a resident decides to sell their home. Unlike the private housing market, CLT homeownership isn't about building personal wealth through rising property prices. Instead, it's about providing secure, affordable, long-term housing for local people—**now and in the future**.

To achieve this, the WWCLT uses a **Limited Appreciation System**. This is a clear agreement between the Resident Member and the WWCLT that sets out what happens when a home is sold. It includes a **resale formula that determines the sale price**, and WWCLT takes responsibility for finding the next suitable buyer.

By limiting how much the resale price can increase, this system keeps homes affordable over the long term. **Prices stay linked to local wages**—not the rising cost of land—so the community continues to benefit, generation after generation.

For **Resident Members** who part-own their home through a shared ownership model with WWCLT, the company uses a **limited appreciation system**. This means:

- If property values rise, the owner's profit is capped to keep homes affordable for future buyers.
- The resale price of a home is set using a **Resale Formula**.

How Homes Are Resold

When a **Resident Member** sells their home:

1. The price is adjusted using an index based on the average of:
 - The **Consumer Price Index (All Groups)**; and
 - The **NSW Full-Time Ordinary Earnings (Private Sector) Index**.
2. The original purchase price is adjusted each year using this index.
3. The final price also will include any **pre-approved major improvements**.
4. If the index goes down, the home must at least sell for the original price plus the value of the major improvements.
5. The **company has the first option** to buy the home. If the company doesn't buy the home, it must find an eligible buyer (i.e. someone who fits into the company's charitable objects).

For full details of the Preliminary, Charitable Purpose and Powers sections: WWCLT Constitution pp. 5-8

Who is involved: General Members, Resident Members and Directors

T

Members are individuals (and in some cases incorporated bodies) who formally agree to be part of the company, abide by the rules outlined in the constitution and support its goals. Members can vote on decisions at meetings, including voting to appoint particular categories of Directors at the Annual General Meeting.

C

There may be **eligibility requirements** and an **application process** to become a member. This is outlined in the constitution to ensure fairness and transparency.

The company keeps a **register of members**, managed by the secretary, which includes details like names, addresses, membership dates, and membership class (General or Resident Member). Information about former members is kept for seven years. Current members can access the register, but any information used must be for matters related to their rights and interests as a member of the company.

The Board may set **membership fees**, which can vary by class, and members must pay these fees annually.

Membership **rights and privileges are personal** and cannot be transferred.

WWCLT Ltd has two types of members:



General Members
(local community)



Resident Members
(live in the WWCLT)

To qualify as a **General Member**, a person must:

- Live in or have strong ties to the Bellingen Shire or surrounding area, and
- Support the company's purpose.

"Person" in this context includes individuals and incorporated bodies.

All the initial members of the company (at the time the company was established) are automatically classified as General Members.

General members ensure that the CLT remains community-led, responsive to local community needs and embedded within the broader community.

To **apply for membership**, a person may submit a membership form confirming that they:

- Want to become a General Member,
- Support the company's purpose, and
- Agree to follow the constitution, including the guarantee obligation in clause 3.



The **directors will review General Membership applications** within a reasonable timeframe.

- They may request further evidence to assess eligibility or suitability.
- If approved, the secretary will:
 - add the applicant to the register of members (subject to payment of any required membership fees), and
 - Notify the applicant of their membership start date.
- If rejected, the secretary will inform the applicant, but the company is not required to provide reasons.

Membership ends immediately if a person passes away, the company (in the case of an incorporated member) is dissolved, they resign, are expelled, or don't confirm that they want to remain a member within three months of a written request to do so. A General Member who enters into a co-ownership deed or lease with the company will transition to Resident Membership.

Resident Members

A **Resident Member** is a **Person in Benevolent Need*** who has signed a co-ownership deed or lease with the company. They live in, or are in the process of moving into, WWCLT homes.

Resident Members must be individuals—incorporated bodies cannot hold this type of membership.

A person automatically becomes a Resident Member when they:

- **Sign a co-ownership deed** or lease with the company,
- Agree in writing to **comply with the constitution**, including the guarantee obligation, and
- Are added to the register of members.

A Resident Member's membership ends the same ways a General Member's membership ends (as set out above) *or* if a Resident Member's co-ownership deed or lease with the company comes to an end. Former Resident Members can apply to become General Members.

*Person in Benevolent Need – see p.8-9
For full details, see *WWCLT Constitution pp. 8-10*

Note: For more information about the eligibility criteria, application and allocation process, please see the **Factsheets: Eligibility Criteria and Allocation**

Directors (Members of the Board)



The directors are responsible for **managing and directing the activities of the company to achieve the charitable objects** that are outlined in the Constitution.

Directors must comply with their **Director's Duties**, which includes to:

- Act with care, diligence, and good faith.
- Promote the company's objectives and ensure responsible financial management.
- Avoid misuse of their position or information, disclose conflicts of interest, and prevent insolvency.

Tripartite Board:

The 'classic' CLT Board structure balances **community control** and the need for **specific skills** to run the company by using a Tripartite Board. The board has representatives from **three key groups**; the residents of the CLT homes, members from the local community who are not residents of the CLT and nominated members who have specific skills such as legal, financial and governance.

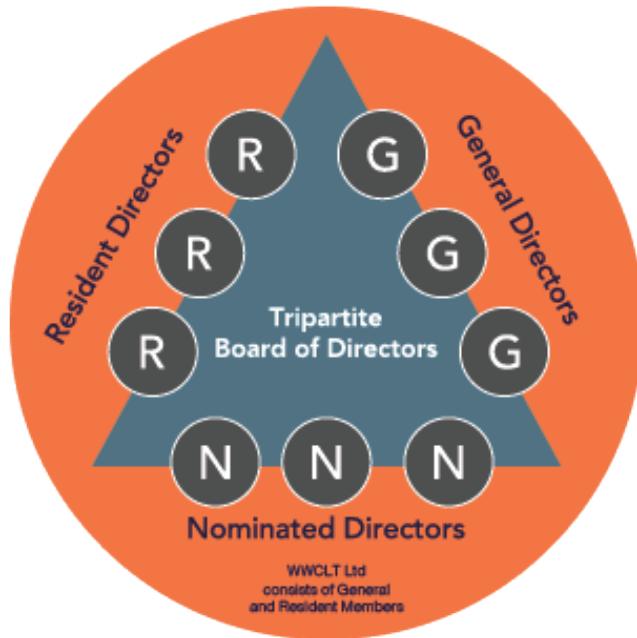
This structure has been proven internationally over many years to provide a strong and stable governance structure and effectively brings together different perspectives to ensure balanced decision-making with each key group having a role in governance and oversight.

WWCLT has a Board of Directors.

Composition of Board

- The company must have at least **3 directors** and no more than **9 directors**.
- The board of directors will have three types of directors:
 - **Resident Directors:** Nominated and chosen by Resident Members.
 - **General Directors:** Nominated and chosen by General Members.
 - **Nominated Directors:** Chosen for their special skills to help the company.
- This is often referred to as a '**Tripartite Board**' meaning that there are 3 distinct groups.
- In the first 12 months, there is a minimum of 3 directors and the rules about the number of directors from each classification don't apply.

- If there are no Resident Members, the board can choose people who want to live in the CLT as **interim Resident Directors**.
- The company can have fewer Resident Directors for up to **3 years** if needed.



Tripartite Board
Nine Directors with equal representation from each director category.

The Board is supported by and can delegate specific authority to Management Team (staff).

This structure has been developed and proven to be the most robust over many years of experience in the international CLT context.



Election and Appointment of Directors

Directors' Qualifications: Directors must have the right skills and experience, this may include suitable qualifications and lived or professional experience.

Initial Directors: The first directors were named when the company was set up.

Electing Directors:

- Members elect the directors of the company, other than Nominated Directors, at a general meeting.
- Each director is voted on separately by the members, unless the members agree to vote for them all at once.

Who Can Be a General &/or Resident Director:

- Must be a member of the company.
- Must be nominated by two members of the same membership class.
- Must agree to be a director.
- Cannot have any legal reasons preventing them from being a director.



Note: One-third of General and Resident Directors must retire at each Annual General Meeting (which will be the Directors who have held office the longest or otherwise selected by lot). Each General and Resident Director must retire at least once every 3 years. These Directors can be re-elected, provided they do not serve as a Director for a continuous period of more than 9 years.

Who Can Be a Nominated Directors:

- Chosen for special skills needed by the board.
- Nominated by two other directors (one Resident Director and one General Director).
- Must agree to be a director.
- Cannot have any legal reasons preventing them from being a director.
- Must not have held the position for a continuous period of more than 9 years.

Note: Nominated Directors will be appointed for a term set by the board (which must not be more than 3 years). The Nominated Director can be re-appointed for further terms (provided they do not hold office for a continuous period of more than 9 years).

Filling Vacant Positions:

- If a director leaves, the board can choose a replacement.
- New directors appointed by the board will serve until the next annual general meeting, when they can be formally elected.

Ceasing to be a Director:

A director will stop being a director if:

- they resign in writing;
- they die;
- they are committed of a serious criminal offence;
- the other directors think they are incapable of managing their affairs due to a mental or physical issue, or become unable to perform their duties;
- they become of unsound mind or become liable to be dealt with under mental health laws;
- they are removed by a resolution of the members of the company;
- they stop being a member of the company (other than Nominated Directors);
- they are a representative of a member, and that member either stops being a member or notifies the company the representative is no longer a representative;
- they fail to appropriately declare a conflict of interest;
- they do not attend 3 Director's meetings in a row without approval;
- they become ineligible under the Corporations Act or ACNC Act.

Powers and Duties of Directors



The directors are responsible for managing and directing the activities of the company to achieve the purpose(s) that are outlined in the Constitution.

Directors Duties:

Director's must act in accordance with their director's duties. While the company is a registered charity, these include to:

- Act with reasonable care and diligence.
- Act honestly and fairly in the best interests of the charity and for its charitable objects.
- Not misuse their position or information they gain as a Director.
- Disclose conflicts of interest.
- Ensure that the financial affairs of the company are managed responsibly.
- Not allow the charity to operate while it is insolvent.

Powers of Directors

- **Responsibility:** Directors manage and guide the company to achieve its objects.
- **Use of Powers:** Directors can use all company powers, except those reserved for members.
- **Financial Management:** Directors make decisions about delegating powers, entering contracts, and managing money.
- **Property and Land:** Directors can acquire land on behalf of the company and create shared ownership or lease arrangements with Resident Members.
- **Borrowing:** Directors can borrow money and secure it with company assets (noting the requirement for a special member resolution to approve a mortgage or charge in certain circumstances).
- **Power of Attorney:** Directors can appoint someone to act on behalf of the company.
- **Director and Auditor Removal:** Directors cannot remove directors and auditors (who can only be removed by members).

Limitations on Powers



Note on Limitations of Director Powers:

This section of the constitution is intentionally different from many standard company constitutions. In the business world, it's common to give directors broad powers so they can make quick decisions and adapt easily. But WWCLT takes a different approach.

To prioritise **community, resident, and stakeholder trust**, WWCLT has placed **greater limitations on the powers of directors**. This means directors cannot make certain key decisions on their own. Instead, these decisions must be put to the members and approved through a **special resolution**.

This structure helps ensure that significant changes are made transparently, with broad community support.

(See page 18 for more detail on the special resolution process.)

Directors need **member approval** for major decisions like:

- Changing the constitution, membership categories, or resale formula.
- Selling land or creating mortgages (other than in line with the objects of the company, eg to convey interests in land to Resident Members who will live in the CLT).

Land Sale: Requires two-thirds approval from directors and a special resolution of members at a general meeting.

Encumbrances: Directors can approve encumbrances (e.g. mortgages) on property if it supports the company's charitable objects.

Stewardship of Land: Directors must consider the long-term well-being of residents and the environment when making land-use decisions.

Restrictions for Resident Members: Resident members need board approval to mortgage or financially encumber land.

Other provisions relating to Directors

Delegation of Powers: Directors can delegate their powers, but it must be recorded. An example of delegation of powers, is giving the Chief Executive Officer or another employee approval to make certain decisions.

Payments to Directors: Directors cannot be paid just for being a director, but can be paid for other services they provide to the company or be reimbursed for expenses with board approval.

Insurance: The company may insure directors, as allowed by law.

Execution of Documents: Documents can be signed by two directors or one director and the secretary.

Conflicts of Interest: Directors must disclose conflicts of interest and cannot vote on matters where they have a conflict, except in certain circumstances. The company will have a Conflict of Interest Policy with further detail on disclosing and managing conflicts of interest.

For full details, see WWCLT Constitution pp. 22-29

Meetings, Disputes & Decision-Making: Key Processes



The constitution sets out the **different types of meetings** and the rules for how they must be run. This includes:



- **What decisions** can be made at each type of meeting
- **Who** can attend
- How much **notice** is needed before a meeting is held
- The **minimum number of people** needed for a meeting to go ahead (this is called a **quorum**)
- How **proposals and resolutions** can be submitted, and who can submit them
- How **decisions** are made and how **voting** works

Different types of meetings

- Annual General Meeting
- General Meetings
- Directors' Meetings

Annual General Meeting

The **Annual General Meeting (AGM)** is a yearly meeting held by WWCLT, where members come together to:

1. **Review the past year** – The board of directors must report on the company's activities, performance, finances, and achievements.
2. **Elect or re-elect directors** – Members may vote to elect or re-elect individuals to the board.
3. **Discuss important decisions** – Members have the chance to discuss key issues, vote on resolutions, and approve financial reports.
4. **Approve financial statements** – The company's financial records are presented for approval, ensuring transparency.
5. **Address any other business** – Members can raise and discuss any other matters relevant to the company.

The first AGM must be held within 18 months of the registration of the company. Following the initial AGM, there must be at least one AGM held every calendar year.

General Meetings

A **General Meeting** is a meeting where all members of the company are invited to gather and discuss important matters. Unlike the Annual General Meeting (AGM), a general meeting can be held at any time during the year as needed. The purpose is to keep members informed and involved in the governance and decision-making of the company.

Key aspects of a general meeting include:

1. **Decision-making** – Members may vote on resolutions, approve decisions, or make changes to the company's rules or policies.
2. **Special Business** – Topics that require member approval, such as amending the constitution or significant financial decisions, are often discussed.
3. **Questions and discussions** – Members can ask questions, provide feedback, and discuss issues affecting the company.

Calling for General Meetings

General meetings are typically called by the board of directors but can also be requested by members, in accordance with the Corporations Act. For members to call a general meeting, members with at least 5% of the votes must make a written request for a general meeting to be held.

For example, if there are 60 members (including resident members and general members), then 5% would be 3 people.

The directors then have 21 days to give notice of a general meeting and must hold the general meeting within 2 months of receiving the request.

Quorum

A quorum is the **minimum number of people** required for a general meeting or Annual General Meeting to go ahead.

- WWCLT quorum is half the total number of members plus one.
- For example, if there are 20 members that would be 11 people.
- The meeting cannot conduct any business without a quorum.

There full details are outlined in the constitution including the required notice for meetings, the process of putting forward proposals, quorum and rescheduling of meetings, and voting procedures, including nominating someone who can vote on behalf of a member (called a proxy).

Decision making at general meetings

Each member is entitled to vote and has only one vote. Voting can be done using a show of hands, in writing or a poll. Members can appoint a proxy—someone to vote on their behalf. Proxy forms must be received by the company at least 48 hours before the meeting.

Decisions need to be approved by a majority of votes with a majority of support from both General and Resident Members.

Below is an example based on 20 general members and 10 resident members. The third row is passed as it has an overall majority and a majority of both general and resident member votes.



| Overall votes | >50% | General member votes | >50% | Resident member votes | >50% | Passed / Rejected |
|----------------|------|----------------------|------|-----------------------|------|-------------------|
| Yes: 20 No: 10 | ✓ | Yes: 18 No: 2 | ✓ | Yes: 2 No: 8 | ✗ | ✗ |
| Yes: 14 No: 16 | ✗ | Yes: 4 No: 16 | ✗ | Yes: 10 No: 0 | ✓ | ✗ |
| Yes: 24 No: 6 | ✓ | Yes: 15 No: 5 | ✓ | Yes: 9 No: 1 | ✓ | ✓ |

Special Resolutions

A **special resolution** is needed for **any significant change**, such as changing the constitution. These types of decisions have extra requirements to make sure all members are properly informed and that major changes have strong support.

To pass a special resolution:

- Members must be given at least **21 days' written notice** before the meeting.
- The notice must include the **wording of the proposed special resolution**.

Similarly to general resolutions, special resolutions must be decided at a general meeting by the members.

To pass, at least **75% of all members present at a general meeting and entitled to vote must vote in favour**. The resolution also needs **majority support from both General Members and Resident Members**, to make sure decisions reflect the views of the whole membership.

| Overall votes | 75% | General member votes | >50% | Resident member votes | >50% | Passed / Rejected |
|----------------|-----|----------------------|------|-----------------------|------|-------------------|
| Yes: 18 No: 12 | ✗ | Yes: 12 No: 8 | ✓ | Yes: 6 No: 4 | ✓ | ✗ |
| Yes: 23 No: 7 | ✓ | Yes: 19 No: 1 | ✓ | Yes: 4 No: 6 | ✗ | ✗ |
| Yes: 25 No: 5 | ✓ | Yes: 16 No: 4 | ✓ | Yes: 9 No: 1 | ✓ | ✓ |

Directors' Meetings

A **Directors' Meeting** is a gathering of the board of directors of the company to make decisions on the company's operations, strategy, and governance. These meetings are **open to members** and focus on the management and oversight of the company. These meetings help ensure the company operates effectively and is meeting its goals. The directors can vote to have a closed session (i.e. directors only) to deal with specific confidential matters.

Key aspects of a directors' meeting include:

1. **Decision-making** – The board discusses and votes on important matters, such as approving budgets, policies, and major projects.

2. **Strategic planning** – Directors review and plan the company's direction, goals, and performance.
3. **Financial oversight** – Directors examine the financial status of the company, including budgets, financial reports, and resource allocation.
4. **Review of operations** – The board may discuss day-to-day operations, risk management, compliance, and any challenges the company faces.
5. **Appointment of key roles** – Directors may appoint or review key positions within the company, such as senior executives, officers or committee members.

Directors' meetings are usually scheduled regularly (e.g., monthly or quarterly), and minutes are kept to record the decisions made and actions taken. A director may call for additional directors meetings as long as they provide reasonable notice to all the other directors.

The quorum for a Directors' Meeting is six directors, with at least two from each category of director, unless the company has less than 6 directors in which case a quorum is a majority of directors.

For example, if there are only 5 directors, then at least 3 directors need to be present.

For the first 12 months, a quorum is a majority of directors regardless of their director category.

The directors can pass written resolutions outside of formal meetings if the resolution is signed or otherwise agreed to by all directors.

The directors can make decisions as outlined in the previous section, 'Powers and Duties of the Directors'.

Dispute Resolution & Disciplinary Procedures



Why it's important to have a clear dispute and disciplinary process:

Ideally, everyone gets along, and any issues can be sorted out quickly and respectfully. But sometimes disagreements can grow into bigger problems. That's why it's important to have a clear process in place before things go wrong. A fair, transparent, and effective dispute and disciplinary process helps make sure problems can be dealt with early—before they affect the group's ability to work together and achieve its purpose.

Dispute Resolution

This **dispute resolution** procedure applies to disputes under the constitution between:

- A member and one or more other members
- A member and one or more directors
- A member or director and the company

Note: Disputes relating to occupancy, co-ownership, or leases are covered under the relevant **Deed of Agreement**.



Attempt to Resolve the Dispute

- Those involved must try to resolve the dispute themselves within **14 days**.

Mediation

- If the dispute remains unresolved after 14 days, the parties must engage in **mediation** before pursuing arbitration or litigation.
- Either party may initiate mediation by sending a **Notice of Mediation** outlining:
 - The central issue(s) in dispute,
 - The parties involved, and
 - Proposed resolutions.
- The parties must **jointly appoint** a mediator within **7 days**.
- If they cannot agree, the **directors** will appoint a mediator.
- **Mediation costs**, including the mediator's fees, are **shared equally** unless otherwise agreed in writing.

Arbitration

- If mediation does not resolve the dispute within **30 days**, it must be referred to **arbitration** under the Australian Dispute Centre (ADC) Rules for Domestic Arbitration.
- The arbitrator must:
 - Be legally trained,
 - Have expertise in the relevant area of law, and
 - Not have acted as the mediator (unless both parties agree in writing).
- If the parties cannot agree on an arbitrator within **14 days**, the **President of the ADC** will appoint one.
- **Arbitration costs**, including the arbitrator's fees, are **shared equally**, unless the arbitrator decides otherwise.



Binding Decision

- The arbitrator's decision is **final and binding**.
- All parties must comply with the decision.

Disciplinary Procedures

The **directors** may **warn, suspend, or expel** a member if they determine that:

- The member has breached the constitution, or
- The member's behaviour is causing, has caused, or is likely to cause harm to the company.

Notice of Disciplinary Action

At least 14 days before considering disciplinary action, the secretary must inform the member in writing about:

- The proposed action (warning, suspension, or expulsion),
- The meeting date where the matter will be discussed,
- The alleged misconduct or non-compliance, and
- Their right to explain or defend themselves.

Right to Respond

Before a decision is made, the member may:

- Submit a written explanation, or
- Speak at the meeting to explain or defend themselves.

Possible Outcomes

After considering the member's response, the directors may:

- Take no further action.
- Issue a warning.
- Suspend membership rights for up to 12 months.
- Expel the member.

- Refer the matter to an independent person for review (with the directors accepting their recommendations).
- Refer the matter to a general meeting for a decision.

Resident Members

Resident members may also face disciplinary actions according to their agreement with the company.

Additional Considerations

- Directors cannot impose fines on members.
- The secretary must promptly inform the member of the decision.
- Disciplinary procedures should be completed as quickly as possible.
- The company is not liable for any loss or injury caused by a decision made in good faith in relation to this disciplinary procedure.

Miscellaneous



Secretary

- The company must have at least one **secretary**, who may also be a director.
- The directors appoint and can remove the secretary. The secretary must agree in writing before being appointed.
- The **directors decide the secretary's pay and conditions**.
- The secretary's main duties include:
 - Keeping an updated register of company members.
 - Keeping records of meetings and decisions.

Minutes and Keeping Records

- The company must keep records of **all meetings and decisions**. This includes:
 - General meetings and member resolutions.
 - Directors' meetings and resolutions.
 - Copies of notices and statements sent to members.
- Members can request to access certain records, and directors can allow access to additional records.
- Meeting minutes must be signed by the chairperson of that meeting or the next meeting.
- A director must minute and sign the passing of any written resolutions (by members or directors) as soon as possible after the written resolution is passed.

Financial and Related Records

- The company must keep **financial records** that:
 - Accurately track transactions and financial position.
 - Allow financial statements to be prepared and audited.
- The company must also keep records of its operations.
- Records must be kept for at least **seven years**.
- Directors must ensure records are kept safe.

By-Laws

- The directors can create by-laws to support the constitution.
- Members and directors must follow the by-laws as if they were part of the constitution.

Notice (Official Communication)

- **Written communications** under the constitution is called "notice."

- Notices to the **company** can be sent by:
 - Delivering to the registered office in-person.
 - Posting to the registered office or another chosen address.
 - Sending to the company's official email or electronic address.
- Notices to **members** can be sent by:
 - Hand delivery.
 - Post to their registered address or another nominated address.
 - Email or another electronic address provided by the member.
 - Notification that the notice is available online (if the member agrees).
- If the company has no address for a member, it does not need to send a notice.
- Notices are considered received:
 - On the day of delivery (if hand-delivered).
 - Three days after posting.
 - The next business day after sending by email or other electronic means.



Financial Year

- The company's financial year runs from **1 July to 30 June** unless the directors decide otherwise.

Protection for Directors and Secretaries

- The company will cover any losses or liabilities incurred by its directors or secretaries in their role, as long as legally allowed and they were acting in good faith.
- This protection continues even after the person has left the role.
- The **company may pay for insurance** to protect officers against legal claims, if legally allowed.
- Current and former directors can access company financial records and other relevant documents, with director approval.

Closing the Company (Winding Up)

- If the company closes, any remaining **assets cannot be given to members** unless they are a charity that meets specific legal requirements.
- Any leftover assets must go to one or more charities that:
 - Have similar purposes to the company,
 - Use their income for charitable purposes,
 - Do not distribute profits to members, and

- Are registered as deductible gift recipients (DGRs) under tax law.
- The members decide which charity will receive the assets. If they don't, the Supreme Court of NSW will decide.

Where to find more information:

There is more information available:

- [WWCLT website](#)
- WWCLT Infosheets (via website)
- WWCLT Constitution
- [Australian CLT Network website](#)

If you would like to know more about WWCLT or get involved, please feel free to contact us via email, phone or through the contact option on the website.

Phone: 0494 331 821

Email: clt@housingmatters.org.au

Website: www.housingmatters.org.au/waterfall-way-community-land-trust

[Facebook](#) /waterfallwayclt

[Instagram](#) /waterfallway_clt

[LinkedIn](#) /waterfall-way-community-land-trust