

Removing a committee member from the committee (Vic)

Legal information for Victorian incorporated associations

This fact sheet covers:

- > possible steps before removing a committee member from the committee
- the process to follow when an incorporated association removes a committee member from the committee
- other options to resolve issues with a committee member

This fact sheet is relevant to Victorian incorporated associations. If your community organisation has another legal structure, this fact sheet does not cover your circumstances.

The committee of management of a Victorian incorporated association controls and manages the business and affairs of the association. It's important that the committee functions well so it can steer your association in the right direction.

Sometimes an association's ability to achieve its aims is disrupted because a committee member is behaving inappropriately. This fact sheet sets out your association's options to deal with disruptive committee members. If there is violence or concern about criminal activity, call the police.

Disclaimer

This fact sheet provides general information about removing a member from the committee of a Victorian incorporated association. This information is intended as a guide only and is not legal advice. If you or your organisation has a specific legal issue, you should seek legal advice before deciding what to do.

Please refer to the full disclaimer that applies to this fact sheet.

Who is involved in the dispute?

Knowing who your dispute involves is important, because different laws and procedures apply to different conflict situations.

This fact sheet deals with disputes with a committee member of a Victorian incorporated association.

There are legal requirements when trying to resolve these kinds of disputes under the <u>Associations</u> <u>Incorporation Reform Act 2012 (Vic)</u> (AIR Act) and the <u>Associations Incorporation Reform Regulations</u> <u>2023 (Vic)</u> (AIR Regulations).

Your association's rules (the written document that sets out how the association is governed) might also have particular requirements.

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Model rules

The <u>model rules</u> are set out in Schedule 4 of the AIR Regulations and published on the <u>Consumer Affairs website</u>. Your association can choose to use the model rules or write its own rules.

If your association's rules are silent on certain matters, the model rules will automatically apply to those matters.



Note

This fact sheet doesn't cover:

- how to take disciplinary action against a member for information see <u>our webpage on</u> <u>handling disputes and conflict</u>
- how to handle conflict and disputes with members under the rules for information see our webpage on handling disputes and conflict
- disciplinary issues with volunteers for information go to <u>our webpage on managing</u> volunteers
- disciplinary issues with employees for information go to <u>our webpage on disputes with</u> <u>employees</u>
- situations that may endanger the health and safety of people in the workplace (for example, bullying) – for information go to <u>our webpage on work health and safety</u>, or
- violence the police may need to get involved, and criminal laws may apply. Contact <u>Victoria Police</u> or call 000

Are there steps to take before trying to remove a committee member?

Removing a committee member from the committee is not a decision that should be taken lightly.

The process can be divisive and controversial, and may even cause reputational damage to your association, so think carefully and dispassionately about what has happened and other options before trying to remove the committee member.

Of course, damage can also result when there are serious concerns and no action is taken. It can be tricky to navigate, and you may need to seek legal advice.

Talk to the committee member

You (or an appropriate representative) could talk with the committee member about your concerns and try to reach an agreement about how these can be addressed.

Resolving the problem might be as simple as explaining to the committee member what their role is, and the performance standards expected. To avoid these kinds of problems in advance, make sure committee members are clear about their responsibilities when they first take on the role. It can be helpful to have a formal induction procedure for new committee members.



For more information, see <u>our webpage on responsibilities of the board and committee</u> <u>members</u>.

Tip

You may wish to ask the committee member whether they think a different role in the association would be a better fit for them.

Even if they leave their role on the committee, perhaps they could contribute to the association in another way. Depending on what your rules say, even if they are no longer on the committee of management, they may still be a member of the association.

Use your association's procedures

Your association might have procedures to try to resolve conflicts and disputes among committee members. These could be set out in the rules or in a separate policy. If your association has dispute procedures, make sure you are familiar with them and follow them properly.

Mediation

You could ask the committee member to attend mediation with representatives of the association. With the help of a mediator (an unbiased and independent person), you may be able to reach a solution suitable for everyone.

<u>The Disputes Settlement Centre of Victoria</u> offers free mediation to incorporated associations. They can also talk to your association about options available to assist issue resolution. The Dispute Settlement Centre has criteria used to decide whether the matter is something they can assist with, so whether mediation will be offered will depend on the circumstances.



For more information, see our webpage on using mediation to resolve conflicts and disputes.

Wait for the committee member's term to end

Usually committee members are elected to serve for a specific term.

For example, if your association uses the model rules, rules 50 and 55 state that committee members are elected at the Annual General Meeting (**AGM**) and hold office until the next AGM. They are eligible for reelection at that next AGM.

If a problem arises close to the end of a committee member's term, it may be easiest to let the committee member stay on until the next election (and for them not to seek re-election).



Note

Under the AIR Act, a committee position becomes vacant if:

- the person
 - resigns by written notice addressed to the committee
 - is removed by special resolution at a general meeting
 - dies
 - becomes insolvent under administration (bankrupt)
 - becomes a 'represented person' for the purposes of the Guardianship and Administration Act 1986 (Vic)
 - is disqualified from managing corporations or co-operatives under the relevant law
 - is the secretary and stops residing in Australia, or
- a statutory manager is appointed to conduct the affairs of the association

Your association's rules may contain other circumstances in which a committee member is taken to have automatically vacated their position.

For example, if your association uses the model rules, rule 56 contains additional circumstances when a committee of management position becomes vacant. These include if the person:

- stops being a member of the association, or
- fails to attend three consecutive committee meetings without leave of absence (see rule 67)

How can a committee member be removed?

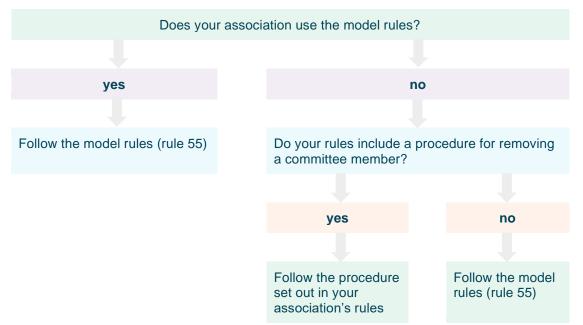
If the above options fail to resolve the issue, the only course of action might be to remove the committee member. Check your association's rules to find out the procedure (if any) for removing a committee member from the committee. It's not compulsory for incorporated associations to have rules for the removal of a committee member, but if your rules are silent on this issue, the relevant model rules will apply.



Note

For example, model rule 55 allows an association to remove a committee member before the end of their term by a 'special resolution' vote in a general meeting of members.

What rule does your association need to follow?



Does there have to be a general meeting to remove a committee member?

If model rule 55 applies, a general meeting of the association's members must be held to remove a committee member. The meeting can be a 'special' general meeting or an AGM (usually, a general meeting to remove a committee member would be a special general meeting).

If this model rule doesn't apply, check what your association's rules say.



Example

If your association's rules require a general meeting, check for requirements about convening that type of meeting. For example, under model rules 31 and 32, the committee:

- can convene a special general meeting 'whenever it thinks fit', and
- must convene a special general meeting if 10% or more of the members of the association request one

Your association's rules will contain requirements for giving notice of the meeting to members. Follow your rules carefully.

What happens at the meeting?

If your association uses the model rules (or has a procedure similar to model rule 32), the members of the association need to vote on a proposed 'special resolution' to remove the committee member.

Your association's rules may have specific requirements to give the committee member an opportunity to be heard.

For example, if your association uses the model rules, under rule 55, the committee member who is the subject of a proposed resolution for removal may:

- provide written reasons why they think they should keep their position as a member of the committee
- give this document to the secretary or president, and
- request that it be provided to the members of the association

The secretary or president may then provide a copy to each member – or if this does not happen, the committee member may require that it be read out at the meeting.

For more information on meetings, see <u>our guide to running an incorporated association in</u> <u>Victoria</u>, especially:

- Part 5 annual general meetings
- Part 6 special general meetings, and
- Part 7 committee meetings

Note

Removing a committee member from the **committee** is different to removing **a member** from the association.

If the committee member is also a member of the association, their removal from the committee will not affect their status as a member of the association – their membership will continue unaffected.

If members vote to remove a committee member, what happens next?

If your association uses the model rules on this point (or has a procedure similar to model rule 55) and members pass a special resolution to remove the committee member, the committee member stops being on the committee. When this occurs, the committee member is considered to have 'vacated' their office.

Within 28 days, the removed committee member must return all documents in their possession that belong to the association to the committee.

Check your association's rules about the next steps for your association. Your rules may have requirements about how many people must be on your committee. This will determine if it is necessary to replace the committee member before your next AGM. For example, under model rule 57, the committee can appoint a member of the association to fill a 'casual vacancy'. That member stays on the committee, subject to the rules, until the next AGM.

Can a committee member be removed from the association?

If your association wants to remove a committee member from the association (not just from the committee), follow the disciplinary procedures (if any) in your association's rules.

For more information, see our fact sheet on removing or disciplining a member.

This fact sheet explains how an incorporated association can remove a member (committee member or not) from the association entirely.



Caution

Follow your association's procedures on the removal of a committee member very closely, and make sure that the process is fair and proper.

If you don't, the outcome might not be lawful and your association could be taken to court.

For more information, see our fact sheet on being taken to court.

If you're still concerned, what else can you do?

Depending on the circumstances, your association can consider the following options.

Ask Consumer Affairs Victoria to become involved

<u>Consumer Affairs Victoria</u> (CAV) is the regulator for Victorian incorporated associations and it can act if there is evidence that there has been a breach of the AIR Act.

Note – however – that CAV will generally not intervene in internal matters such as breaches of the association's rules or alleged improper management. CAV would need evidence of very serious misconduct or fraud. Its role is primarily to ensure incorporated associations comply with their regulatory obligations.

CAV has the power to:

- investigate an incorporated association
- fine or prosecute an association (or an individual) for offences under the AIR Act, and
- apply to the Magistrates' Court to appoint a 'statutory manager' to take over the affairs of the association until it is stable enough to manage its own affairs again

Take legal action against the committee member

Taking legal action should only be contemplated in very serious situations and you should seek legal advice before doing so.

For more information, see our fact sheet going to court about an internal dispute.

Leave the association

As a last resort, people can decide to leave the association and start a new one, or join another group. Sometimes a decision to 'walk away' can be hard, but ultimately the best option.