

# Overview of Incorporated Rotary Club Rules and Bylaws

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## Amendments to be made every three years

Every 3 years Rotary International (**RI**) convenes a Council on Legislation (**COL**) made up of representatives from every Rotary District who determine which changes to Rotary documents that have been proposed by individual districts will be accepted and which will not. The next COL will be held in April next year and there are 378 amendments proposed by the districts that it will need to deal with. The amendments which the COL accepts, once promulgated by RI are automatically adopted into the Constitutions and Bylaws of unincorporated Rotary clubs but not into the Rules and Bylaws of incorporated Rotary clubs. This is because the law governing the incorporation of clubs and associations requires the members of each incorporated club to make their own amendments.

At McKean Park we have had over a decade of experience in preparing Rules and Bylaws for incorporated Rotary clubs that include all COL amendments. We are also fortunate in having the assistance of a richly experienced District 9800 Committee (comprising past district governors and fellow lawyers) which works with us in that process. Together with this Committee we take the opportunity, every three years of legally updating the Rules and Bylaws for a range of other reasons in addition to implementing the COL amendments. That legal updating covers the following:

### 1. Adjustments to comply with Australian laws

Because the COL amendments are designed for unincorporated clubs there are occasions when they must be altered or added to (with RI approval) to accord with the legal requirements for incorporated clubs. One example of this would be the provision of legally acceptable arrangements for annual and special general meetings of Rotary E clubs which the COL amendments have not been required to consider because they are designed for unincorporated Rotary Clubs only.

### 2. Changes to Associations Incorporation Acts

The laws which provide for the incorporation of clubs and associations in Australia are all called Associations Incorporation Acts and each State and Territory has an Act of that name which means we at McKean Park have eight Acts and their Regulations to

consider. These Acts (and the Regulations made under them) are also amended from time to time and those amendments must be complied with by all incorporated clubs and associations including incorporated Rotary clubs. Examples of this are the requirement in NSW for incorporated clubs to keep a Register of Directors and in Queensland, the requirements relating to the confirmation of Minutes of General Meetings and Board Meetings. There are many other examples of the provisions of these Acts needing to be included in club Rules.

### 3. Provisions deemed to be included in Rules

Most Associations Incorporation Acts provide for a set of Model Rules in their Regulations which tend to be updated fairly frequently. Associations Incorporation Acts also provide that where the Rules of an incorporated club are silent on an issue which is dealt with in the Model Rules under the Regulations of that Act, then those provisions of the Model Rules will automatically be included in the Rules of that club. This means that those deemed provisions need to be examined carefully and either actually included in the Rules and Bylaws (so Rotarians are not taken by surprise) or excluded from the Rules or included in the Rules but varied to meet what the Committee feels is acceptable to Rotary Clubs. An example of this in Victoria is the deemed provisions relating to members' rights to examine club documents.

### 4. Other legislated provisions

McKean Park also looks at other legislation which we feel needs to be considered by incorporated Rotary clubs and to make provision for these laws in the Rules we provide or at least to draw their existence to the attention of incorporated Rotary clubs. A good example of this is the legislation in both NSW and Victoria regarding fundraising. This legislation extends the meaning of the word "fundraising" far beyond its previous definition so that it now includes what would previously have been regarded as payments for goods or services. The legislation also provides very heavy penalties for breaches of its provisions.

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## 5. Good business practice

Frequently with the advice of the District 9800 Committee we include additions to the Rules and Bylaws which, it is felt, will assist incorporated Rotary clubs or afford them protection where this is required. An example of this is an extensive Bylaw which sets out provisions for a Nominating Committee including how it is formed and what its duties and functions are. This Bylaw replaces a plethora of Bylaws by individual Rotary clubs on this subject matter.

## 6. The meaning of language

Finally we need to consider issues of appropriate language. For example, a good deal of RI's Standard Rotary Club Constitution (SRCC) was written in the first half of the last century and its language is becoming dated. Phrases such as "good cause" are no longer understood as clearly as they would have been when first inserted in the SRCC. Another example is the variation of the meaning of words from country to country even where the same language is spoken in each.

We at McKean Park believe that it is worthwhile for all incorporated Rotary clubs to update their Rules and Bylaws every three years not only because this is a requirement of RI which, we believe, RI will in future enforce on a club by club basis, but also because it represents good business practice. Members of incorporated Rotary clubs must never forget that there are laws which relate to incorporation or relate to what Rotary clubs do that must be complied with and that there are penalties for breaching these laws. Such issues are primarily local issues within Australia or at least within one or more of its States and Territories. Rotarians cannot expect RI in the documents it publishes to make recommendations concerning these laws and requirements and it is therefore up to the incorporated Rotary clubs themselves to do so for their own protection and the protection of their members and their members' families.

Finally, McKean Park has always provided Rules and Bylaws for incorporated Rotary clubs which comply with the legal requirements of all 8 States and Territories of the Commonwealth. This is not an easy task because some states are extremely pro-active in changing their requirements, others are less so.

Sometimes the changes are more cosmetic than real (such as the change in NSW of the name "Rules" to "Constitution") but so far we have managed the task and I trust we will always be able to continue doing so.

I hope this paper will give its readers a greater insight in to what is contained or what should be contained in the Rules and Bylaws of incorporated Rotary clubs.

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