



St Vincent de Paul Society  
CANBERRA/GOULBURN  
*good works*

# COMPANY LIMITED BY GUARANTEE

Q&A





**JOHN FEINT**  
Territory Council President



**St Vincent de Paul Society**  
CANBERRA/GOULBURN  
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# Key Messages

- The change in Company Structure will not impact on how Conferences are structured or how they function within the Society.
- The benefit of the establishment of the new board will allow the Territory Council to focus on members concerns and Conference matters and the Society's mission of providing services to the poor without having to predominately focus on governance and compliance matters.
- The Society's operations are conducted in the jurisdictions of both the ACT and NSW. These operations are now more complex and subject to greater regulatory compliance.
- The responsibility for overseeing the finance and implementation of the strategic plans of the Society shall be vested in the Board.
- Society Members elect Regional Presidents in accordance with The Rule to represent the interests of Members at the Territory Council. All Territory Councilors have a right to be members of the company and will hold 5 of the 7 board positions ensuring that the views of Members are heard. Society Members will continue to remain members of the Society in accordance with The Rule, but will not be members of the Company.



# Key Messages

- The company structure also means that the liability for the members of the company is limited by guarantee to the members of the company.
- It is important that you exercise your right as a member of the Society to vote on the proposed change in structure.
- TERRITORY COUNCIL RECOMMENDS THAT WHEN VOTING OPENS, YOU VOTE YES TO THE PROPOSAL.
- Members should note this is an initiative that has been underway for a long-time and has been included in the 2018-2022 Strategic Plan.



# Available Resources

- [Company Limited by Guarantee Intranet Page](#)
- [Draft: Company Limited by Guarantee Constitution](#)
- [Comparison between an Association and a CLG](#)
- [Frequently Asked Questions \(Printable\)](#)
- [Incorporated Association Constitution](#)
- [Video - TC President John Feint & TC Treasurer Bernard Meadley](#)



# Q. How did this proposal arise?

- Due to the increase in size of the Society in Canberra/ Goulburn, complexities of regulation, risk and the strategic direction adopted by the Territory Council (TC) of the St Vincent de Paul Society Canberra/ Goulburn the TC had come to the view that we do not have the optimum legal structure for the Society.
- Various strategic reviews of the Society in Canberra/ Goulburn determined that the current structure was not best suited to take the Society forward and a recent body of work by the Governance Committee of the National Council of St Vincent de Paul Society made several recommendations, which related to the consolidation of the governance arrangements of the Society nationally and in Canberra/ Goulburn.
- A transition to a “Company Ltd” structure with an appointed Board of Directors is appropriate given the size and scale of the activities (revenue, breadth of services and number of employees) and allowing Independent Directors to be appointed to ensure corporate knowledge is retained.
- The TC found that the legal and governance arrangements of the Society were limiting the Council’s ability to deliver on its objectives and contributing to a lack of strategic alignment as outlined by the Charterpoint review in 2020.



# Q. Who are the members of the Company?

The Territory Council Members will be the Company Members, that includes the:

- Territory Council President;
- Territory Council Vice Presidents;
- Regional Council Presidents; and
- Territory Council Treasurer;

each of which is properly elected in accordance with The Rule.



# Q. What is the current structure of the Society in Canberra/ Goulburn?

- The St Vincent de Paul Society in Canberra/ Goulburn (Society) currently comprises St Vincent de Paul Society Canberra/ Goulburn Incorporated (Inc.) and Society of St Vincent de Paul Pty Ltd, which holds the property owned by the Society.





# Q. Does the new structure fit with the requirements of The Rule?

- It does. The Company accepts the principle of subsidiarity and democracy as set out in Part III Article 7 of The Rule.
- The Objects of the Company also contain a provision that the governance, management, and operation of the Company shall be carried out in accordance with the spirit and values of The Rule and the St Vincent de Paul Society.



# Q. If the transfer takes place, how will it affect the work of the Territory Council, as we know it?

- Moving the responsibility for running of the Society's business and commercial operations to the Company Limited by Guarantee Board will give the Territory Council the opportunity to concentrate on the key areas of the Society's mission: membership, welfare and advocacy.
- The change to a Company Limited by Guarantee legal structure will not affect the identity of the Territory Council or the existing rights and obligations of the Society.
- The Territory Council will continue to control the assets of the Society in Canberra-Goulburn.



# Q. What will the new board look like?

The Board will comprise five members of the Territory Council as well as two appointed members with specific skills to help the Board with its work:

- The Territory Council President
- The Vice President Conferences;
- The Territory Council Treasurer;
- The Vice President Youth;
- One Other Territory Council Member; and
- Two Qualified Directors appointed by the Board.

*The Society Chief Executive Officer, Company Secretary and the Company Treasurer are appointed officers to support the work of Board. Directors must be Company Members (ie members of the Territory Council) and the Qualified Directors are not required to be Society or Company members. At all times it is a requirement that members of the company shall hold the majority of positions on the board.*



# Q. How will independent Directors be selected?

- Whilst it will not be essential for an Independent Director to be a member of the Society or Catholic, careful consideration was given to this issue. In the end, it was decided not to specify that an Independent Director must be a Catholic or Christian and to leave it to the process of appointment by members of the Board.
- A selection panel consisting of three Board members, including the President, will interview any person who nominates for appointment to the Board of Directors of the CLG. The panel will evaluate the commitment to mission, demonstrated competencies and skills of the applicant.



# Q. How long will Boards members hold office?

- The Directors who are Territory Council Members will hold office for as long as they hold the their position under The Rule for up to, but not exceeding 4 consecutive years.
- The Qualified Directors are appointed for a term of 2 years. At the conclusion of their term, Qualified Directors are eligible for reappointment for a maximum of 6 consecutive years.



# Q. What are the benefits to the Society of the Company Limited by Guarantee legal structure?

- Organisations often use companies limited by guarantee because they are particularly suited for conducting non-profit activities. Specifically, they cannot pay dividends, they cannot issue shares and therefore no person can acquire a controlling interest or profit from a share sale. They reinvest any surpluses into the work of the company.
- A company of this type is well regarded by funding bodies and public agencies as a more 'stable' and responsible structure than a incorporated association.



# Q. How will the Board communicate with Society Members?

- The Board will report once a year to Society and Company Members regarding the activities of the Company and this will be conducted as per the AGM of previous years.
- The Board will meet with the Territory Council twice per year to ensure that Society efforts, direction and strategies remain aligned.
- In addition, the work of the Board and the Territory Council will be conveyed through our SharePoint website, through The Companion Society newsletter and email bulletins as required.



# Q. What are the other states doing?

- NSW and Victoria has successfully moved to a Company Limited by Guarantee to manage its business activities.
- Western Australia has adopted the model of an operational Board, which runs the activities of the Society. This was developed to respond to several financial issues faced in that State and the need for professional expertise to provide oversight during challenging times.
- Queensland still has an incorporated association to run the Society but engages a full-time legal staff member to assist State Council with its capabilities to manage the most complex operational issues. This is a very costly option.





# Q. What are the other states doing? Cont...

- The National Council of the Society has recently advised all State Councils that the time has come for all State and Territories to consider a move to a “Company Limited by Guarantee “structure. National Council has by resolution approved the Company Limited by Guarantee Constitution.



# Q. What is required of Society Members in the decision to move to a Company Limited by Guarantee Legal Structure?

- A vote to pass a Special Resolution that resolves to transfer from an Incorporated Association to a Company Limited by Guarantee at the AGM.



# Key Date

- Annual General Meeting:

Rheinberger Centre, 2 Loch St, Yarralumla, ACT

26 November 2022 at 11am



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# Governance Committee

Ask a question: [GovernanceCommittee.CG@vinnies.org.au](mailto:GovernanceCommittee.CG@vinnies.org.au)

- Bernard Meadley – Territory Council Treasurer
- John Feint – Territory Council President
- Stewart Chapman – Vice President Conferences
- Kym Duggan – Vice President Social Justice & Advocacy



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