



Constitution

of the Australian Rural Health Education Network Limited

PART I – THE COMPANY

1. COMPANY LIMITED BY GUARANTEE

Constitution

- 1.1 This document, amended from time to time in accordance with the Act, is the Constitution of the Australian Rural Health Education Network Limited (“**ARHEN**”).

Company limited by guarantee

- 1.2 The Company is a company limited by guarantee.

Members’ liability limited

- 1.3 The liability of Members is limited.
- 1.4 Each Member undertakes to contribute to the Company’s property if the Company is wound up—
- (1) while the Member is a Member; or
 - (2) within one year after the Member ceases to be a Member,
- a maximum contribution not exceeding \$5.00 AUD.

2. REPLACEABLE RULES

- 2.1 The Replaceable Rules in the Act do not apply to the Company.

3. COMPANY’S OBJECTS AND POWERS

- 3.1 The Company’s Objects are to:
- (1) operate as the peak body for University Departments of Rural Health (“**UDRH**”);
 - (2) lead and initiate the rural health agenda in the areas of education and research;
 - (3) act as a communication and coordination conduit between the Commonwealth—through its entities including government departments, statutory bodies, and other related organisations—state governments and their entities, non-government organisations, and UDRHs;
 - (4) encourage and support meetings between the directors of UDRHs;
 - (5) encourage and support meetings between the members of Staff Networks;
 - (6) support the development of an evidence base for accessible and sustainable health services; and

- (7) develop the roles of UDRHs in service to the community.
- 3.2 The Company has all the powers set out in the Act to do all things that are necessary, convenient or incidental to carrying out the Company's Objects.

PART II – MEMBERS

4. IDENTIFICATION OF MEMBERS

- 4.1 The Members of the Company are the universities and groups of universities through their respective UDRHs as listed in Schedule 1 from time to time.
- 4.2 For the avoidance of doubt, a group of universities listed in Schedule 1 as forming one UDRH comprises one Member.
- 4.3 If a university is listed in Column C in Schedule 1 as a **Contracting University**, then for the purposes of this Constitution, that university acts on behalf of the other universities that also constitute the relevant Member. A Member may have more than one Contracting University.
- 4.4 A reference below to a university is also a reference to a group of universities.

5. REPRESENTATIVES

- 5.1 Each UDRH will choose an employee of that UDRH to be that UDRH's **Representative**.
- 5.2 When choosing whom to nominate as a Representative, the directors of a UDRH must:
- (1) only consider people who are either:
 - (a) directors of that UDRH; or
 - (b) nominees of a director of that UDRH; and
 - (2) consider the Company's Objects and only choose a person appropriately qualified and placed to achieve and promote the Company's Objects;
- 5.3 The Board must approve each nomination before a person becomes a Representative.

6. NEW MEMBERS

Who is entitled to become a Member?

- 6.1 If the Commonwealth Government funds a new UDRH, the university acting through that UDRH is entitled to become a Member.

Membership invitations

- 6.2 The Directors:
- (1) may, on their own initiative, invite any university described in rule 6.1 to become a new Member; and
 - (2) must invite a university to become a new Member or part of an existing Member (as the case may be) if a UDRH notifies the Company of that UDRH's association with that university.

When a university becomes a Member

- 6.3 If a university accepts a membership invitation made under rule 6.2, it must provide the National Director with written acceptance of the invitation.
- 6.4 A university becomes a new Member or part of an existing Member (as the case may be) when the National Director enters its Member Details in the Members Register.

Nominating a Representative when a new UDRH is created

- 6.5 If the Commonwealth Government funds a new UDRH, then as soon as practicable after the associated university accepts its membership invitation, the UDRH must nominate a Representative.

7. CESSATION OF MEMBERSHIP

- 7.1 A Member may resign as a Member at any time by giving the National Director written notice of the resignation. The resignation is effective when the National Director receives the written notice, or, if the Member nominates a date, that date.
- 7.2 A Member automatically ceases to be a Member on the date the Member or its associated UDRH ceases to exist.

8. MEMBERS REGISTER

- 8.1 The National Director will maintain a register ("**Members Register**") that contains the Member Details of each current Member, and each former Member that has stopped being a Member within the previous 7 years.

- 8.2 The Member Details are:
- (1) the name and address of the relevant university;
 - (2) the name and address of the relevant UDRH;
 - (3) the name and address of the relevant Representative;
 - (4) the date(s) the Member's details were entered into the Members Register; and
 - (5) for former Members—the date on which the former Member stopped being a Member.
- 8.3 The Member Details must be recorded in the Members Register. Other information may be recorded in the Members Register.
- 8.4 The National Director will notify the relevant corporate regulator of the changes to any Member's Member Details that the Company is required to report to the corporate regulator.

PART III – DIRECTORS

9. WHO ARE THE DIRECTORS?

- 9.1 The Directors of the Company are the Representatives from time to time.

10. TERM

- 10.1 A Director holds office as a Director as long as he or she is a Representative.

11. VACATION OF OFFICE

- 11.1 A Director will cease to be a Director if:
- (1) the Director is absent from three consecutive Board meetings without being excused by a member of the Executive; or
 - (2) the Director or the UDRH it represents is directly or indirectly interested in a contract that the Company enters or proposes to enter and the Director fails to declare that interest at a Board meeting as soon as practicable; or
 - (3) the Director ceases to be a Representative for any reason.
- 11.2 If a person ceases to be a Director, the relevant UDRH must nominate a new Representative as soon as practicable.

12. DIRECTORS' POWERS

- 12.1 Any two Directors may sign, draw, accept, endorse or otherwise execute a negotiable instrument after Board approval.
- 12.2 The Directors may determine that a negotiable instrument may be signed, drawn, accepted, endorsed or otherwise executed in a different way.

PART IV – BOARD OF DIRECTORS

13. ROLE OF THE BOARD

- 13.1 The Board will:
- (1) promote the Company's Objects;
 - (2) articulate the Company's vision and values;
 - (3) exercise due diligence, ethical corporate conduct, and prudent fiscal management of the Company; and
 - (4) ensure compliance with the Company's obligations and monitor risk.

14. RESPONSIBILITIES OF THE BOARD

- 14.1 The Board will:
- (1) develop a Strategic Plan;
 - (2) review the Company's progress against the Strategic Plan;
 - (3) approve and monitor annual budget targets; and
 - (4) develop the Company's policies on key issues.
- 14.2 The Board will undertake its responsibilities in rule 14.1 in a manner consistent with the Company's Objects.

15. EXECUTIVE COMMITTEE

Composition of the Executive

- 15.1 There will be four positions on the Executive: the Chair, the Deputy Chair, the Treasurer, and the Immediate Past Chair. A person who has a position on the Executive is referred to below as an "**officeholder**".

Role of the Executive

15.2 The Executive will:

- (1) provide an accessible forum outside Board meetings for urgent decision-making;
- (2) make recommendations on matters on which the Board requests advice or a response; and
- (3) act as a finance committee on behalf of the Board.

Election of the Executive

15.3 The election for positions on the Executive will be held:

- (1) at the annual general meeting; or
- (2) at the first Board meeting after a vacancy arises on the Executive.

15.4 The National Director will call for nominations for available positions on the Executive at least 3 weeks before the annual general meeting or from time-to-time when a vacancy arises.

15.5 Nominations for election to the Executive—

- (1) if made before the election is listed as an item on the agenda for the relevant Board meeting—must be made in writing, accompanied by the candidate's written consent, and given to the National Director; or
- (2) if the election has already been listed as an item on the agenda for the relevant Board meeting—may be invited from the floor at the relevant Board meeting.

15.6 If only one Director is nominated for an office—provided that Director is not disqualified from election to that position—then that Director will be appointed to the relevant position by default.

15.7 The incumbent Deputy Chair will become the Chair by default if no Director is nominated for the position of Chair.

15.8 If no nominations are received for the position of Treasurer, the Board will vote on whom to appoint to that office.

15.9 All positions that are up for election at an annual general meeting are vacated immediately prior to the commencement of that annual general meeting.

15.10 An election or appointment to the Executive takes effect after the close of the Board meeting at which the election took place or the appointment was confirmed.

15.11 Once elected or appointed, the Treasurer and Deputy Chair hold their offices until the annual general meeting following the date of their election.

15.12 A Director is elected to the position of Chair for a term of two years. If, however, the Board determines, subject to the Company's Objects, that it is in the Company's

interests that a Director continue as Chair for a further specified period, the Board can decide, by a vote, that the Director continue as Chair for that specified period.

- 15.13 A Director, other than the position of Chair, can be elected to the same Executive position for a second consecutive term. If, however, the Board determines, subject to the Company's Objects, that it is in the Company's interests that a Director continue in the same Executive position for a further specified period, the Board can decide, by a vote, that the Director continue in that same Executive position for that specified period.
- 15.14 The Immediate Past Chair is the Director who held the position of Chair immediately prior to the election of the incumbent Chair.
- 15.15 If the Director described in rule 15.14 as the Immediate Past Chair is no longer a Director, then the position of Immediate Past Chair will remain vacant until there is a Director who fits the description in rule 15.14.
- 15.16 The Immediate Past Chair will remain on the Executive for the period of time agreed between the Chair and the Immediate Past Chair or—failing their agreement—determined by the Board.
- 15.17 The Chair and Immediate Past Chair are not eligible to hold more than one position on the Executive simultaneously.
- 15.18 A Director may simultaneously hold the position of Treasurer and Deputy Chair if that Director obtains the Board's prior permission. If a Director holds both positions and is subsequently appointed Chair by default under rule 15.7, that Director must resign as Treasurer and a new Treasurer must be elected as soon as practicable.

Role of the Chair

- 15.19 The Chair will:
- (1) lead the Company to achieve the Company's Objects;
 - (2) oversee the governance and proper management of Board meetings;
 - (3) encourage all Directors to contribute to discussions;
 - (4) maintain regular contact with the National Director and remain up-to-date on the activities of the National Office; and
 - (5) facilitate communication between the Board and the National Director.

Role of the Deputy Chair

- 15.20 The Deputy Chair will stand in for the Chair as required.

Role of the Treasurer

15.21 The Treasurer will:

- (1) keep correct accounts and books showing the Company's financial affairs, with full details of all receipts and expenditure connected with the Company's activities;
- (2) work with the National Director to ensure that appropriate financial reports are made available to the Board on a required basis;
- (3) chair a meeting of the Executive at least three weeks before each Board meeting to review financial reporting in preparation for reporting to the Board at the upcoming Board meeting;
- (4) present the annual budget to the Board for approval; and
- (5) review the annual audit and answer Directors' queries about the audit.

Purpose of the Immediate Past Chair's position on the Executive

15.22 The Immediate Past Chair remains on the Executive to ease the transition between Chairs and to ensure as little disruption as possible to the Company's commitments and initiatives.

16 BOARD MEETINGS

Frequency

16.1 Each calendar year, there will be at least:

- (1) two face-to-face Board meetings; and
- (2) two Board meetings via teleconference.

16.2 One face-to-face Board meeting in each calendar year must be held in a regional area and hosted by a UDRH.

Annual general meetings

16.3 The Board's annual general meeting will generally be held in September each year, or as determined by the Board.

16.4 In addition to any other business that may be transacted at an annual general meeting, the business of an annual general meeting is to—

- (1) confirm the minutes of the last annual general meeting and of any general Board meetings held since the last annual general meeting;
- (2) elect Directors or confirm the default appointments of Directors to the available positions on the Executive; and
- (3) receive and consider the audited statement of accounts.

Extraordinary meetings

- 16.5 The Board must, if requested in writing by not less than 25% of the Directors, call an extraordinary meeting.
- 16.6 A request by Directors for an extraordinary meeting—
- (1) must state the purpose(s) of the extraordinary meeting; and
 - (2) must be signed by the Directors; and
 - (3) must be lodged with the National Director.

Schedule of Board meetings

- 16.7 The National Director will prepare a schedule of all regular general Board meetings for the upcoming calendar year, and submit this to the Board for approval before the close of the current calendar year.

Notice of Board meetings

- 16.8 Except if the nature of the business proposed to be dealt with at a general Board meeting or an extraordinary Board meeting requires a special resolution, the National Director must, at least 7 days before the date fixed for the Board meeting, advise each Director of the place, date and time of the Board meeting and the nature of the business to be dealt with at the Board meeting.
- 16.9 If the nature of the business proposed to be dealt with at a general Board meeting or extraordinary Board meeting requires a special resolution, the National Director must, at least 21 days before the date fixed for the holding of the Board meeting, send notice to each Director specifying, in addition to the details required under rule 16.8, the intention to propose the resolution as a special resolution.

Attendance at Board meetings

- 16.10 Directors are expected to attend all Board meetings in person unless exceptional circumstances prevent a Director attending.
- 16.11 If exceptional circumstances prevent a Director attending a Board meeting in person, the Director may:
- (1) attend the Board meeting by teleconference or videoconference; or
 - (2) appoint a proxy; or
 - (3) seek to be excused from attending by a member of the Executive.

Presence at Board meetings

- 16.12 For the avoidance of doubt, a Director is considered "present" at a Board meeting if that Director:
- (1) attends the Board meeting by teleconference or videoconference; or

(2) appoints a proxy and that proxy attends the Board meeting in person.

Proxies

16.13 A Director who nominates a proxy must advise the National Director of the proxy's details at least 24 hours before the relevant Board meeting.

Quorum of Directors

16.14 The quorum for a Board meeting is a simple majority of the total number of Directors holding office at the time of the Board meeting. The quorum must be present at all times during the Board meeting.

16.15 If a quorum is not present at a Board meeting, that Board meeting is dissolved.

Voting

16.16 A resolution at a Board meeting must be passed by a simple majority of the votes cast by the Directors entitled to vote on the resolution.

16.17 In the case of a deadlock, the Chair has the casting vote, if necessary, in addition to any vote that the Chair has in his or her capacity as a Director.

16.18 The National Director does not have a vote, even if he or she is chairing a meeting as required under rule 16.26(2).

16.19 Unless the Company has received written notice of the matter before the start of the Board meeting at which a proxy vote occurs, a vote cast by a proxy will be valid even if, before the proxy votes, the Director who appointed the proxy:

- (1) dies; or
- (2) is mentally incapacitated; or
- (3) revokes the proxy's appointment; or
- (4) revokes the authority under which the proxy was appointed by a third party.

16.20 A challenge to a right to vote at a Board meeting may only be made at that Board meeting and must be determined by the Chair, whose decision is final.

Passing resolutions without a Board meeting

16.21 The Directors may pass a resolution without holding a Board meeting if each Director entitled to vote on the resolution signs a document (a "**resolution document**") containing:

- (1) the text of the resolution; and
- (2) a statement that that Director is or those Directors are in favour of the resolution.

16.22 For the purpose of rule 16.21, the Directors do not need to sign the same resolution document provided each Director signs a document that meets the requirements of

rule 16.21(1)–(2). If there is more than one resolution document, the wording of the resolution must be identical in all copies.

16.23 The resolution is passed when the last Director signs a resolution document.

16.24 If a Director sends an email to the National Director setting out the items in rule 16.21(1)–(2), that Director will be deemed to have "signed" a resolution document for the purpose of rules 16.21–16.23.

Chairing Board meetings

16.25 The Board must elect a Director present to chair a Board meeting or part of it if both the Chair and Deputy Chair are not present or decline to act for the Board meeting or part of it.

16.26 If a new Chair is to be elected at a Board meeting, the following apply:

- (1) the Board must choose a Director to chair that Board meeting, subject to the following:
 - (a) the Director that the Board chooses cannot be running at that Board meeting for election to any position on the Executive; and
 - (b) preference should be given to Directors who are officeholders immediately prior to that Board meeting, including the Chair.
- (2) if all Directors present are nominated for a position on the Executive, the National Director will have the responsibility of chairing that Board meeting.

Guests

16.27 The Chair or the National Director may invite guests to attend specific Board meetings to discuss relevant business.

16.28 Directors who wish to invite guests to particular Board meetings must obtain the Chair's agreement to the guest's attendance.

Minutes

16.29 The National Director or a delegate of the National Director will record the minutes of Board meetings.

16.30 The minutes must be endorsed by the Chair and circulated to the Members for comment. The minutes will then be formally adopted through a motion at the following Board meeting.

Conflict of interest

16.31 If a Director becomes aware that he or she has a potential conflict of interest, that Director must notify the Board of the nature of the conflict of interest.

16.32 If the majority of the Board considers it appropriate, the Board may exclude a Director from discussions and negotiations that relate to the matter in which that Director has a conflict of interest.

PART V – THE NATIONAL OFFICE

17. NATIONAL OFFICE AND NATIONAL DIRECTOR

Purpose of the National Office

- 17.1 The National Office will provide secretariat, administrative, and policy support to the Board.

Appointment of the National Director

- 17.2 The Board will appoint a National Director.
- 17.3 The Company will enter a contract of employment with the National Director for a term that the Board considers appropriate. The Board retains the discretion to determine whether to renew any contract of employment with the National Director.

Role of the National Director

- 17.4 The National Director is not a member of the Board, but has the right to attend and to speak at Board meetings.
- 17.5 The National Director is the head of the National Office.
- 17.6 The National Director is responsible for:
- (1) managing and implementing the Company's business and projects in accordance with the Strategic Plan and the Company's Objects;
 - (2) the administrative and financial management of the National Office;
 - (3) fulfilling the duties of a company secretary and ensuring that the full range of accountability and reporting requirements is met; and
 - (4) any other matters that the Board thinks appropriate.
- 17.7 The National Director will hold the position of company secretary.

Relationship between the Board and the National Office

The Chair and the National Director will facilitate communication between the Board and the National Office.

- 17.8 The National Director will:
- (1) consult the Chair on matters of significance that relate to the Company;
 - (2) seek input and direction from the Board through regular Board e-mails, Board meetings, and other communication as he or she considers appropriate;
 - (3) at each Board meeting, provide an activity report that reviews the Company's activities against its Strategic Plan;

- (4) annually prepare an Operational Plan for the Board's consideration.

PART VI – COMPANY ASSETS & PROFITS

18. RESTRICTION ON APPLICATION OF PROFITS

- 18.1 The Company's income and property must only be used to promote the Company's Objects. No part of the Company's income or property may be paid out unless the payment is in accordance with rule 18.2.
- 18.2 The Company may, at the discretion of the Board, reimburse a UDRH or Director for reasonable travelling and other expenses that a Director incurs when engaged in the business of the Company.

19. ASSETS

Assets Register

- 19.1 The National Director will maintain a register that records the details of all assets that the Company owns ("**Assets Register**").

Surplus assets on winding up

- 19.2 If the Company is wound up or dissolved, and there remains any property after satisfaction of all the Company's debts and liabilities, this property must be:
- (1) distributed equally to the UDRHs associated with Members existing at the time of the winding up or dissolution; or
 - (2) if no current Members exist at that time of the winding up or dissolution—given to the Commonwealth Government.

PART VII – MISCELLANEOUS PROVISIONS

20. INDEMNITY AND INSURANCE

- 20.1 To the extent permitted by the Act, the Company indemnifies every person who is or has been a Director, Member, Representative, or National Director against:
- (1) any liability incurred by that person in their capacity as a Director, Member, Representative, or National Director, other than:
 - (a) a liability owed to the Company; or
 - (b) a liability for a pecuniary penalty order under section 1317G of the Act or a compensation order under section 1317H of the Act; or

- (c) a liability owed to someone other than the Company or a related body corporate which did not arise out of conduct in good faith.
- (2) any liability for legal costs incurred by that person in their capacity as a Director, Member, Representative, or National Director, other than:
- (a) in defending or resisting proceedings in which that person is found to have a liability for which that person could not be indemnified under rule 20.1(1)(a); or
 - (b) in defending or resisting criminal proceedings in which that person is found guilty; or
 - (c) in defending or resisting proceedings brought by ASIC or a liquidator for a court order if the court finds that the grounds for making the order are established (except in relation to costs incurred responding to actions taken by ASIC or a liquidator as part of an investigation before commencing proceedings for a court order); or
 - (d) in connection with proceedings for relief to that person under the Act in which a court denies the relief.
- 20.2 If the Directors consider it appropriate, the Company may pay a premium in respect of a contract insuring a person who is or has been a Director, Member, Representative, or National Director, against:
- (1) any liability incurred by that person in that capacity, other than a liability which arises out of:
 - (a) conduct involving a wilful breach of a duty owed to the Company; or
 - (b) a contravention of section 182 of the Act (Use of Position) or section 183 of the Act (Use of Information); or
 - (2) any liability for legal costs incurred by that person in defending any proceedings whatsoever, without the qualifications set out in rule 20.2(1).

21. REPRESENTING THE COMPANY

- 21.1 No one can represent the Company without the Board's prior approval.
- 21.2 A Director may nominate herself or himself to represent the Company on a particular committee or at a particular conference or public forum.
- 21.3 The Board may nominate one or more Directors to represent the Company on a particular committee or at a particular conference or public forum.
- 21.4 A Director nominated under rule 21.3 can accept or reject that nomination.
- 21.5 Anyone representing the Company must act and comment consistently with the Company's Objects and other policies and interests whilst acting as a representative of the Company.

22. PUBLICATIONS

- 22.1 If a Director authors or co-authors an article or other publication and that Director is referred to as a Director of ARHEN in the body of the proposed article or publication, then drafts of the article or publication must be provided to the full Board for comment prior to publication.
- 22.2 The Chair has responsibility for the final clearance of any article or publication covered by rule 22.1. If the Chair does not clear the article or publication, the Director must not refer to himself or herself as a Director of ARHEN in that article or publication.

23. DEFINITIONS AND INTERPRETATION

23.1 In this Constitution, unless the contrary intention appears:

- (1) **Act** means the *Corporations Act 2001*.
- (2) **ARHEN** means the Australian Rural Health Education Network Limited.
- (3) **ASIC** means the Australian Securities and Investments Commission.
- (4) **Assets Register** means the register that records the details of all assets owned by the Company.
- (5) **Board** means the Board of Directors as described in Part IV of the Constitution.
- (6) **Board meeting** means any meeting of the Board, including an annual general meeting.
- (7) **Chair** means the Director performing the functions set out in rule 15.19.
- (8) **Company** means the Australian Rural Health Education Network Limited.
- (9) **Company's Objects** means the objects of the Company set out in rule 3.1.
- (10) **Contracting University** is a university listed in Column C of Schedule 1, and has the purpose set out in rule 4.3.
- (11) **Constitution** means this document as amended from time to time.
- (12) **Deputy Chair** means the Director elected to perform the function set out in rule 15.20.
- (13) **Director** means any person occupying the position of director of the Company and includes an alternate Director.
- (14) **Executive** means the executive committee of the Board and includes the Chair, the Deputy Chair, the Treasurer, and the Immediate Past Chair.
- (15) **Immediate Past Chair** is defined in rule 15.14

- (16) **Member** means a university or group of universities described as a Member in rule 4 and listed in Column A of Schedule 1.
- (17) **Member Details** means the details of each Member that must be included in the Members Register.
- (18) **Members Register** means the register of Members Details that the National Director must keep under rule 8.
- (19) **National Director** means the person appointed by the Board to fulfil the functions in rule 17.6.
- (20) **National Office** means the National Director and staff who aid the National Director in providing secretarial, administrative, and policy support to the Company.
- (21) **negotiable instrument** has the meaning it has in the Act.
- (22) **officeholder** means a person holding a position on the Executive: that is, the Chair, Deputy Chair, Treasurer, and Immediate Past Chair.
- (23) **Operational Plan** means an annual report that compares the Company's actual achievements with the goals set out in the most recent Strategic Plan, and details the Company's communication plan for the coming year.
- (24) **Replaceable Rules** means the provisions referred to in section 141 of the Act.
- (25) **Representative** is defined in rule 5
- (26) **resolution document** means a document satisfying the requirements set out in rule 16.21.
- (27) **Staff Network** means a group of staff members from more than one UDRH that the Board designates as a "staff network".
- (28) **Strategic Plan** means a plan detailing the Company's goals for a defined period and the strategies for achieving those goals.
- (29) **Treasurer** means the Director performing the functions set out in rule 15.21.
- (30) **UDRH** means a university department of rural health, and includes university departments of rural health that are known by titles other than "University Department of Rural Health".

23.2 In this Constitution unless the contrary intention appears:

- (1) words importing the singular include the plural and vice versa;
- (2) words importing any gender include the other genders;
- (3) words or expressions defined in the Act have the same meaning;
- (4) headings do not affect construction or interpretation;

- (5) a reference to a person includes a body corporate and a body politic;
- (6) an expression in a rule that deals with a matter dealt with by a particular provision of the Act has the same meaning as in that provision of the Act; and
- (7) “including” and similar expressions are not words of limitation.

Constitution ratified by the ARHEN Board on 18 September 2012

