



LONG REEF GOLF CLUB LTD

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EXPLANATORY MEMORANDUM

Resolution 10.1 - Biennial board elections

The Board is proposing that a constitutional amendment be passed to modernise the Constitution relating to Board tenure consistent with trends with other registered clubs and corporations in Australia. Annual elections have been found to result in high Board Member churn with the loss of experience and continuity to Board operations and function.

Pursuant to section 30(1)(a) of the Registered Clubs Act 1976 NSW the Board of a registered club is to be elected at an election by full members either:-

- (i) annually, or
- (ii) if a rule of the club so provides, biennially, or
- (iii) if a rule of the club so provides, according to the triennial rule.

The triennial rule in essence provides that directors hold office for 3 years with one third having to retire each year but are eligible for re-election. The Board is not proposing the adoption of the triennial rule.

The Club's Constitution currently provides that the Board is to be elected annually (section 14.1).

In recent years there has been a high turnover of Board Members resulting in a loss of Club specific experience at Board level. Naturally this impacts management of the Club, loss of knowledge of how the Club operates, and dislocation of relationships with important stakeholders including Northern Beaches Council. All contrary to principles of good corporate management which include stability, experience and knowledge. Further it takes time for new Board Members to settle into their role.

It is the Board's opinion that to optimise Board Member effectiveness and continuity of multi-year initiatives that the current constitutional provisions for annual elections be amended to allow for biennial elections ie 2 year terms.

The Board recommends that Club Members vote in favour of the amendment.

The Board stresses that this recommendation is in the best interests of the Club and its Members with the intention to achieve greater stability in management of the Club by the Board.

Resolution 10.2 - maximum period of office of President, Vice-President, Captain and Vice-Captain- only applies if resolution 10.1 passed.

Section 14.2 of the Constitution currently provides:-

“A Director must not hold any or one of the Offices of President, Vice- President, Captain or Vice-Captain for more than 5 consecutive years.”

If the resolution for biennial Board elections is approved then section 14.2 should be amended as there will not be an election held 5 years after a Board Member is appointed to one of these offices.

It is therefore proposed that the period of 5 years is increased to 6 years.

If this resolution is not passed then the 5 year period would remain and as no election is to be held at the end of year 5, then the Board would have to elect a replacement officer or officers. The Board considers that it is more appropriate that Club Members elect Board Members to these offices.

Please note.

The amendments proposed in 10.1 and 10.2 will only be effective for Board Members appointed in the 2023 election. The Board Members appointed this year (2022) will only serve a 1 year term as defined under the existing provisions of the Club Constitution.