



Victorian PRAHRAN  
History MECHANICS'  
Library INSTITUTE

## **A PROPOSAL TO INCORPORATE THE PMI UNDER THE ASSOCIATIONS INCORPORATIONS REFORM ACT (2012)**

### **DISCUSSION PAPER**

#### **Background**

The *Prahran Mechanics Institute Act* (1899) (hitherto referred to as the PMI Act) comprises the specific Act and our rules. This is the framework on which the organisation operates.

The PMI Act has served the organisation well, however in the current environment our PMI Act is very restrictive in terms of how we are able to manage our day to day operations. Any change to the PMI Act requires the approval of the Parliament of Victoria which can take considerable time particularly if there is a full legislative agenda.

Furthermore, the current PMI Act does not allow or make provisions for:

- Proxies at meetings or the ACM for voting
- Provide appropriate legal protection for the Committee and staff, i.e. personal liability
- Adaptability

In recent years Local Government Victoria have expressed an interest in revoking our PMI Act and there have been some preliminary discussions in the past. Their argument is that by becoming incorporated under the *Associations Incorporations Reform Act (2012)* (hitherto referred to as the Incorporations Act) we would be able to be more responsive and flexible in terms of changing economic conditions. In other words, we can set and chart our own destiny without being at the whims of the Minister or Parliament.

In addition, the members of PMI will be able to provide input to the operation of the PMI through adopting 'own' rules by voting on proposed amendments at an AGM or EGM.

#### **Benefits of maintaining the status quo**

- Our Act is part of our rich history.
- It is a point of difference between other institutions. No other Mechanics' Institute in Victoria now has their own Act of Parliament.
- Changes can still be made to the Act if required but it will take time,
- "If it isn't broken, why fix it?"

## **Benefits of incorporation under the Incorporations Act**

Many things won't change

- Our status as a charity and not-for-profit organisation will remain unchanged.
- Our name will remain unchanged.
- How we operate will largely remain unchanged.

The Incorporations Act has specific benefits including:

- We can chart our own destiny rather than relying on the whims of the government of the day.
- It gives us full independence, one of the original tenets of the Mechanics' Institute movement and philosophy.
- Changes to our operational rules can be made more quickly and would only rely on a majority vote from the members at an EGM or AGM.
- It enables us to invest in or sell property without requiring approval from the Minister.
- It enables us to invest in or borrow funds without requiring approval from the Minister.
- It provides legal protection to members, office bearers and staff who are protected against personal liability for organisational debts.
- The Act enables proxies at AGMs or EGMs.

We will become a more dynamic organisation with the ability to respond to changing economic conditions, technological change, etc.

## **What happens next if we are to incorporate under the Incorporations Act?**

Firstly we need a majority vote from the members at today's AGM.

If the membership approve then the following process will occur.

- Advise the Department of Energy, Land, Water and Planning and Local Government Victoria in writing that the PMI membership has approved the motion to incorporate under the Act.
- The Department will then commence steps to have our PMI Act formally repealed.
- Register with Consumer Affairs Victoria to commence the process of incorporation.
- Formally adopt the 'Model Rules' which is a detailed template and provides a framework for organisations to function day to day and covers everything from memberships, to finances and roles of the Committee and/or
- Develop and adopt 'Own Rules' which are based on the 'Model Rules' but are amended to consider specific organisational requirements.

Once we are incorporated under the Incorporations Act we will need to amend all of our official stationery, website, brochures and other collateral to include "Incorporated" or "Inc." after our name and include our incorporation number.

This whole process may take up to one year.

We will keep PMI members informed through our newsletter, website, blog and Facebook at all steps of the process.

### **What is the difference between Model Rules and Own Rules?**

Model Rules are the standard rules that an organisation follows and there are no amendments to specific rules as specified.

Own Rules follow in principal the Model Rules framework but are amended to suit the specific organisational requirements. For example, under the Model Rules applications for membership require approval at a Committee meeting. For all intents and purposes this would be impractical for PMI as new members would not be able to use the library on joining.

### **What rules will PMI adopt?**

It is recommended that we adopt the Own Rules adapted from the Model Rules. This would require approval from the members at an EGM or AGM.

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26 March 2019