



GOVERNANCE VS MANAGEMENT

Member Motions and Resolutions at General Meetings

Clearing the notice threshold and having a valid resolution are two different things

Members of a company limited by guarantee hold two distinct rights under the Corporations Act that get conflated constantly, and the confusion causes more disputes than almost any other single point in this series: the right to call a general meeting, and the right to move a resolution at one. Both come with real thresholds. Neither is unlimited, and understanding exactly where the boundaries sit protects members and boards alike from a dispute that usually turns out to be about process rather than substance. If your association is incorporated under a state or territory Act, the equivalent rights and thresholds are set by that Act and your constitution, so check those before relying on the figures below.

Which rules apply to your association?

The law depends on how your association is set up. A **company limited by guarantee** follows the Corporations Act 2001 (Cth) and its constitution. An **incorporated association** follows its state or territory associations Act and its rules. A **registered charity** also follows the ACNC Act and the ACNC Governance Standards, and some Corporations Act rules are replaced for charities that are companies. Check your own governing documents, and get advice before decisions with legal consequences.

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The Right To Call A Meeting

Section 249D of the Corporations Act 2001 (Cth) allows members holding at least 5 per cent of the votes that may be cast at a general meeting to require the directors to call one. This is a low bar deliberately, since it exists to give a meaningful minority the ability to force the organisation's attention onto an issue, not just the majority.

The Right To Move A Resolution

The right to propose a resolution for consideration at a general meeting, including an upcoming AGM, is separately governed by section 249N. Members can give notice of a resolution they propose to move if they hold at least 5 per cent of the votes that may be cast on that resolution, or number at least 100 members entitled to vote. A single member, or a small handful under either threshold, cannot compel a motion onto the agenda through this mechanism. A constitution may grant members additional rights beyond this statutory minimum, but absent such a provision, these are the thresholds that apply. Timing matters too: a resolution notified under section 249N is considered at the next general meeting held more than two months after the notice is given, and a meeting requisitioned under section 249D must be called within 21 days and held within two months of the request.

Not Every Resolution Members Can Propose Is Valid

This is the point most disputes actually turn on. Clearing the notice threshold does not mean every resolution a member proposes must be put to the meeting. A members' resolution is valid only if it relates to a power members in general meeting hold under the Corporations Act or the constitution. Common examples are appointing or removing directors, appointing the auditor, amending the constitution and winding up the company. A constitution generally vests the board with ultimate responsibility for managing the company, and members do not have a general right to direct the board on how it exercises that management power, consistent with the section 198A management authority discussed earlier in this quarter. Subject to any contrary provision in the constitution, a board is therefore not compelled to put a resolution to a general meeting where it concerns a management matter rather than a power the members hold.

This structure is not an obstruction of member democracy. It is the same governance and management boundary discussed throughout this quarter, applied to the meeting process itself: members hold enforceable rights over the organisation's fundamental structure and leadership, and the board holds protected authority over how it is run.

Where The Disputes Actually Come From

In practice, disagreements in this space rarely turn on a disagreement about whether a matter is fundamentally structural or purely operational. They turn on process failures: a member's notice technically deficient in form, a threshold the members proposing the resolution did not actually meet, or a board that declines a resolution on management grounds when the underlying issue arguably touches something the constitution does protect. Both sides benefit from taking the technical requirements seriously rather than assuming intent alone is enough. A board that declines a member motion should be able to point precisely to why it falls outside the members' powers, not simply assert that it does. A member proposing a resolution should confirm the threshold and notice requirements are met before assuming the motion is secured.

- Confirm which threshold applies, the 5 per cent votes test or the 100-member test, before assuming a proposed resolution has cleared the bar.
- Check the proposed resolution against the powers members actually hold under the Act and your constitution, such as director appointment or removal, auditor appointment, constitutional change and winding up, rather than assuming any member-proposed motion must proceed.
- Where a board proposes to decline a resolution, obtain legal advice first and record the reasons and the advice relied on in the minutes, since this is precisely the kind of decision that benefits from the record-keeping discipline discussed elsewhere in this series.
- Check whether your own constitution grants members rights beyond the statutory minimum, since some associations deliberately extend these thresholds and boards need to know which regime actually governs their organisation.

Getting this right protects both sides of the relationship this series keeps returning to. Members retain a legally enforceable voice over the organisation's fundamental structure and leadership. The board retains the operational authority it needs to actually run the organisation without every management decision becoming a contest at the next general meeting.

This is one of the practical governance topics built into our Board Director course, alongside the papers, tools and frameworks that turn the principle into your board's actual practice. [Explore the course](#)

Annie Gibbins

Founder and CEO, Nexus Leadership

BOARDROOM ACTION WORKSHEET

Member Motions and Resolutions at General Meetings

Turn the resource into evidence, a decision and an accountable next step. Keep the completed record in your association's approved board records system.

1 What is the issue or decision?

State the governance question in one clear sentence.

2 What evidence do we already have?

Record the facts, source documents and stakeholder evidence available now.

3 What evidence is still needed?

Identify the legal, regulatory, financial, member or operational information still required.

4 What is the agreed next action?

Capture the owner, timeframe and how the matter will return to the board.

Action owner	Review date	Board decision or resolution

General education, not legal, financial, tax, clinical or governance advice. Confirm specifics at the relevant primary source or with your own qualified adviser. Nexus Leadership is operated by Lipstick Consulting Pty Ltd · ABN 15 619 120 482.

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