



GOVERNANCE VS MANAGEMENT

Don't Have 'General Business' at the AGM: The Case for an Open Forum

An unnoticed motion from the floor is not member democracy, it's an illusion of it

A standing 'general business' item at the end of the AGM agenda feels harmless, even democratic. Give members a moment to raise whatever is on their mind. In practice, it is one of the more quietly risky habits an AGM agenda can carry, because it invites exactly the kind of unnoticed, improvised motion that the meeting's own legal machinery was never built to handle safely.

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.

In this resource

1. [Why Notice Is The Whole Point](#)
2. [The Practical Risk This Creates](#)
3. [The Better Model: A Dedicated Open Forum](#)

Why Notice Is The Whole Point

Earlier articles in this series established the mechanics: members of a company limited by guarantee are entitled to at least 21 days' notice of a general meeting, and where a special resolution is to be proposed, the notice must set out its exact wording. Incorporated associations must follow their state or territory Act and constitution, which may set a different period (for example, 14 days under the NSW model constitution, or 21 days where a special resolution is proposed). The underlying rationale is plain: members must be given notice so they have time to think about the business of the meeting, the decisions they are being asked to make, and the questions they want to raise, and so they can make an informed decision about whether to participate by attending or by proxy. Where a members' resolution is going to be put, the exact words of the resolution should appear in the notice, not just a general description of the topic.

A general business item, by its nature, has none of this. Nobody received the required notice of the specific motion someone raises from the floor. Nobody who lodged a proxy had any opportunity to direct their proxy on it, since it did not exist as a defined resolution when the proxy was completed. Nobody who chose not to attend, reasonably relying on the published agenda to know what was being decided, had any warning it was coming.

The Practical Risk This Creates

This connects directly to the mandatory proxy right discussed earlier in this quarter. Section 249X gives members of a public company, which includes a company limited by guarantee, an entitlement to appoint a proxy that the constitution cannot remove. Incorporated associations should check whether their Act and rules allow proxies. A motion sprung from the floor as general business and then put to an immediate vote functionally defeats that entitlement for every member who exercised it by proxy rather than

attending in person, since their proxy had no way to know the motion existed, let alone form a view on it. Even where a chair rules such a motion is only a sense-of-the-meeting indication rather than a binding resolution, ambiguity about what actually happened is itself a governance failure, and minutes recording an unclear outcome create exactly the kind of dispute the later article in this series on minute-taking is built to prevent.

General business does not protect member voice. It stages an illusion of participation, an unminuted, unnoticed motion that either cannot bind the organisation at all, or binds it in a way half the membership never had a fair chance to weigh in on.

The Better Model: A Dedicated Open Forum

The alternative preserves everything valuable about member voice while removing the legal ambiguity. Close the formal AGM once its noticed business, the resolutions members actually received proper notice of, is complete. Then open a separate, clearly distinct forum, open discussion, questions to the board and chief executive, ideas members want raised for the next cycle, with no pretence that anything decided there constitutes a binding resolution of the meeting. The forum complements, not replaces, the reasonable opportunity members must have during the AGM itself to ask questions and comment on management; for a company limited by guarantee that holds an AGM under the Corporations Act, section 250S requires this. This is not a lesser version of member democracy. It is, if anything, a more honest one, since it invites real engagement without dressing an informal conversation up as formal governance action nobody was properly notified about.

- Remove 'general business' as a formal, votable agenda item and replace it with a clearly labelled open forum held after the AGM formally closes.
- Make explicit, in both the agenda and the chair's opening remarks, that nothing raised in the open forum constitutes a resolution of the meeting.
- Capture useful ideas raised in the open forum as action items for the board to consider through the proper channels, a board decision, or a resolution put to a future general meeting with proper notice, rather than treating them as already decided.
- Where a member consistently wants to raise the same substantive issue year after year through the open forum, that is itself a signal worth taking seriously: help them use the section 249N process discussed earlier in this quarter to get it onto a future agenda properly, rather than leaving it perpetually unresolved in an informal segment.

An open forum, done well, gives members something general business only pretends to: a hearing, honestly labelled, that does not leave the organisation exposed to the question of whether something was validly decided by people who never had a fair chance to weigh in.

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

Don't Have 'General Business' at the AGM: The Case for an Open Forum

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.

CONTINUE YOUR LEARNING

Turn governance principles into practical board action.

Self-paced courses, editable resources and practical support for association boards and CEOs at nexusleadership.com.au.