



MEMBERSHIP, GROWTH & DIGITAL TRANSFORMATION

Evolving Membership Categories: A Constitutional Decision

A new tier isn't fully designed until its voting rights are settled under your constitution as clearly as existing classes

Adding a new membership category, an emerging professional tier, a corporate membership, an affiliate class for a related profession, is frequently treated by associations as a marketing and pricing decision to be worked through by staff and brought to the board for a quick sign-off. It is not simply that. It is a constitutional decision: the constitution decides who may create the category and how, and sometimes that means the process this series has already established for changing the governing document itself.

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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Why This Is A Constitutional Question, Not A Pricing One

This series established earlier that membership classes and voting rights architecture are constitutional matters, defined in the governing document and usually changed through the constitution, by special resolution, unless the constitution delegates some of these decisions to the board. Many constitutions let the board create membership classes and set their rights within set limits, for example by by-laws or regulations. A special resolution is needed where the constitution itself must change, or where existing members' class rights would be varied. Incorporated associations should also check their state or territory Act, since in several jurisdictions a rule change must be lodged with, or registered by, the regulator before it takes effect. A new membership category is not simply a new price point sitting alongside existing ones. It is a new class of membership, and it requires the same deliberate answer to the same question every existing class already has an answer to: does this category carry voting rights, eligibility to stand for the board, and counting towards quorum, and if so, under what conditions, and does creating it affect any existing class's rights. An association that launches a new tier through a marketing decision, then discovers months later that its own constitution is silent or ambiguous on that tier's voting status, has created precisely the kind of governance dispute this series warned against in its discussion of voting rights architecture. A new membership tier is not fully designed until its voting rights, or deliberate absence of them, are set out, in the constitution or under a power it gives the board, with the same clarity the association's existing membership classes already have. Anything less is a pricing decision wearing a governance decision's clothes.

The Real Administrative Cost Of Tier Proliferation

Many associations find that more than a handful of tiers confuses members and is hard to administer. This matters at board level because every new category proposed deserves to be weighed against this real cost, not just its projected revenue benefit. A board asked to approve a sixth or seventh membership category should ask whether the underlying need could be met by adjusting an existing tier's benefits, rather than adding administrative complexity the organisation may not have the capacity to manage well.

Two Different Axes Of Segmentation, Often Confused

Membership category design frequently combines two different kinds of segmentation without making the distinction explicit, and boards benefit from separating them clearly. One axis reflects a member's actual attribute, student, new professional, retired, fellow, and the other reflects a benefit tier, basic, plus, premium. An association may reasonably offer differentiated pricing across both axes simultaneously, a discounted rate for a student accessing a plus-tier benefit set, for example, but the constitution and membership register need to track both dimensions clearly, since conflating an attribute-based category with a benefit-tier category is a common source of administrative confusion and, eventually, member complaints about inconsistent treatment.

- Check whether your constitution lets the board create a new category and set its rights. If it does not, or if the new category would change existing members' rights, amend the constitution by special resolution (and, for incorporated associations, lodge the change with the state or territory regulator as required).
- Resolve the new category's voting rights explicitly and in writing before launch, connecting directly to the voting rights architecture discussed earlier in this series, rather than leaving the question ambiguous until a dispute forces clarity.
- Weigh any proposed new category against the administrative cost of tier proliferation, recognising that each extra tier adds complexity for members and staff.
- Separate attribute-based categories from benefit-tier categories explicitly in your constitution and membership records, rather than allowing the two to blur into a single, harder-to-administer structure.
- Review your full set of membership categories periodically as part of the constitutional review cycle discussed earlier in this series, retiring categories that no longer serve a purpose rather than allowing them to accumulate indefinitely.

A well-designed membership category can open new growth and revenue for an association. A poorly governed one, launched as a marketing initiative without the constitutional discipline its voting rights and structural implications actually require, becomes exactly the kind of ambiguity this series has consistently identified as where governance disputes are born.

This is one of the practical governance topics built into our Association CEO 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

Evolving Membership Categories: A Constitutional Decision

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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