

OUTDOORS ACT
A06146
(Association)

EXPLANATORY STATEMENT
TO ACCOMPANY NOTICE OF ANNUAL GENERAL MEETING

This Explanatory Statement is for the benefit of the members of the Association.

The purpose of this Explanatory Statement is to explain in further detail the proposed resolutions set out in items 8 and 9 of the Notice of AGM dated 11th October 2021.

1. Background

Outdoors NSW & ACT currently operates under the following two incorporated association structures:

- (a) Outdoors Recreation Industry Council of NSW Incorporated (**Outdoors NSW**), an incorporated association in NSW; and
- (b) Outdoors ACT, an incorporated association in ACT.

It is proposed that the Association and Outdoors NSW effectively 'merge' into one entity and that entity be registered as a company limited by guarantee (**Proposed Restructure**).

It is proposed that the Proposed Restructure occur as follows:

- (a) the Association transfer its assets and liabilities to Outdoors NSW;
- (b) Outdoors NSW transfer its registration to a company limited by guarantee; and
- (c) the Association voluntarily wind up.

The key benefits of the Proposed Restructure to Outdoors NSW & ACT are:

- (a) **No double reporting:** Under the current structure, the organisation must report to both NSW and ACT authorities and pay annual fees to both authorities. As a company limited by guarantee, the organisation will only be required to report to ASIC and pay one annual review fee;
- (b) **A simpler structure:** The organisation will have a simpler structure as one entity, operating under one constitution and existing under one piece of legislation, being the *Corporations Act 2001* (Cth) (**Corporation Act**);
- (c) **A more familiar structure:** A company structure will be more familiar to counterparties who deal with the organisation in any commercial way, particularly if they are from outside NSW or ACT. The regulatory background of the company law and Corporations Act may also be preferred by larger and sophisticated member organisations; and
- (d) **Opportunity for expansion:** Currently, the organisation cannot carry out activities outside of NSW and ACT. As a company, the organisation would have the ability to expand operations to all other states and territories in Australia.

2. Proposed Asset Transfer

As part of the Proposed Restructure, the Association proposes to transfer its assets to Outdoors NSW (**Proposed Asset Transfer**) and enter into the Asset Transfer Agreement attached to the Notice of AGM to give effect to the Proposed Asset Transfer.

Recommendation

The Board unanimously recommends that members vote in favour of the resolution.

Approval Requirements

The proposed resolution set out in item 8 of the Notice of AGM need to be passed by special resolution.

A special resolution must be passed by at least 75% of the votes actually cast by members of the Association who are present (whether in person or by proxy) and entitled to vote at the General Meeting.

Other

Under section 52 of the constitution, the Association may transfer any surplus assets or property on the winding up of the Association to a body that:

- (a) has similar purposes to the Association;
- (b) prohibits the distribution of its or their income or property among its members to an extent at least as great as is imposed on the Association by the constitution; and
- (c) is not carried on for profit.

Outdoors NSW satisfies each of the requirements set out under section 52 of the constitution.

3. Voluntary winding up of the Association

As part of the Proposed Restructure, the Association proposes to voluntarily wind up the Association and cancel its incorporation.

Recommendation

The Board unanimously recommends that members vote in favour of the resolution.

Approval Requirements

The proposed resolution set out in item 9 of the Notice of AGM is required to be passed by special resolution.

A special resolution must be passed by at least 75% of the votes actually cast by members of the Association who are present (whether in person or by proxy) and entitled to vote at the General Meeting.

Dated: 19 September 2021