

## ACNC releases new constitution templates for charitable companies limited by guarantee

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*Following a public consultation period, the Australian Charities and Not-for-profits Commission (ACNC) has released new constitution templates for not-for-profit organisations incorporated as public companies limited by guarantee (CLGs). The templates provide a practical starting point for charities considering incorporation as a CLG, or for existing organisations reviewing whether their constitution remains fit for purpose.*

### Why the new templates?

Charitable CLGs operate under both the *Corporations Act 2001* (Cth) (**Corporations Act**) and the *Australian Charities and Not-for-profits Commission Act 2012* (Cth) (**ACNC Act**). While some Corporations Act provisions do not apply to registered charities, the overlap between the two regimes has historically created uncertainty and inefficiencies. For example, boards have often found it difficult to reconcile Corporations Act requirements regarding members' rights and meetings with the ACNC's broader focus on complying with Governance Standards.

The ACNC's templates are designed to reduce this friction by:

- providing charities with a clear and practical starting point when preparing constitutions; and
- promoting governing documents that reflect both legislative requirements and ACNC regulatory expectations.

### What's new?

The ACNC has released:

- a standard template constitution; and
- tailored template constitutions for CLGs that have, or are applying for:

- deductible gift recipient (**DGR**) endorsement as a whole (requiring a gift fund to be maintained);
- DGR endorsement for the operation of a fund, authority, or institution;
- registration as a Health Promotion Charity; or
- registration as a Public Benevolent Institution.

Each template addresses core governance issues that are central to charitable operations, including not-for-profit and winding-up clauses, membership structures and rights, director appointment, removal and duties and compliance with the ACNC Governance Standards.

A key innovation in the templates is the integrated prompt system, which encourages boards to actively consider how each provision operates in practice and whether it suits their organisation's structure and activities. Rather than defaulting to a standard set of clauses, the prompts explain the function of provisions, outline available options for tailoring and link choices back to the ACNC Governance Standards. This approach positions the constitution as a practical governance tool that boards can adapt and revisit as their charity evolves.

The templates are further supported by detailed guidance notes that:

- identify mandatory clauses for registered charities;
- highlight clauses that require active consideration by the organisation; and
- provide prompts to help board customise provisions to their specific governance needs.

### **Why this matters and next steps**

The introduction of these templates reflects the ACNC's ongoing focus on strengthening the charity sector by promoting accessible, consistent and efficient governance practices.

The templates are not, however, intended to be adopted wholesale. Every charity operates with a unique purpose, membership structure and governance culture. Constitutions that are not tailored risk leaving operational or structural gaps that may cause future compliance or governance difficulties.

Boards should treat the ACNC templates as a baseline for reviewing and modernising their charity's governing document. For charities with older constitutions, the templates may highlight areas that are outdated, inconsistent with current law, or silent on important governance processes.

### **Key takeaways for charities**

- **Templates are a guide, not a solution:** They must be adapted to each charity's purpose, activities, and governance model.

- **Opportunity to modernise:** Existing CLGs should review their constitutions against the new templates and consider updating.
- **Regulatory alignment:** The templates reduce duplication between the Corporations Act and ACNC Act and help ensure constitutions meet ACNC Governance Standards.
- **Efficiency:** Guidance notes and prompts can reduce drafting costs and improve the clarity of governance obligations.
- **Seek advice:** Tailoring is essential – charities should seek legal advice to ensure their constitution supports the charity’s objectives, membership arrangements and compliance obligations.

Charities should see these templates as an opportunity to future-proof governance, avoid compliance pitfalls and ensure their constitution genuinely supports their charitable purpose.