Prahran Place Members: Purpose, value and benefits

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Members are central to PP's legitimacy, accountability and mission stewardship and align our governance structure with Australian not-for-profit incorporated companies limited by guarantee and standards of the Australian Charities and Not-for-profits Commission. Members can include clients, volunteers, and donors but good governance and conflict of interest must be carefully managed. Staff can also be members, but an even higher standard of conflict-of-interest management must be applied.

1. Purposes of members

Mission stewardship (protecting purpose and not-for-profit character)

Members are ensuring that the organisation pursues its stated community benefit purposes and reinvest surpluses back into those purposes (rather than distributing profits).

Accountability and transparency (holding the organisation to account)

ACNC Governance Standards requires the charity to take reasonable steps to be accountable to members and to give members adequate opportunities to raise concerns about how the charity is run. This formal accountability role is one of the key "purposes" of having members.

Democratic decision-making on key matters (voice through meetings and voting)

Members provide a lawful, structured way for material organisational decisions to be made via meetings and resolutions in line with the Corporations Act and the organisation's constitution. This is typically done at an annual meeting which includes opportunities to ask questions and vote on resolutions and to maintain clear processes for appointing directors. This links membership directly to leadership renewal and oversight.

2. Value of members

ASIC and ACNC documentation suggests that the value are members are that they:

- Add legitimacy, accountability and integrity. The ACNC explicitly describes members as the "owners" of a charity and requires charities with members to be accountable to them. This includes keeping members informed about the charity's activities and outcomes and providing opportunities for members to ask questions and raise concerns.
- Serve as a mechanism for improving governance quality, reducing the risk of mission drift, and strengthening public trust. Members ensure that those who run a charity are answerable to a broader set of stakeholders.
- Hold governance rights without the ability to extract profits, ensuring that the organisation remains not-for-profit and purpose driven. Members are intended to provide democratic control through the principle of one member, one vote.

3. Benefits of membership

To members

- **Voice and influence**: Members have structured opportunities to ask questions, raise concerns and vote on resolutions about how the charity is run. This includes providing information about the charity's activities and results and commonly includes sharing relevant financial and operational information to support meaningful oversight.
- **Confidence and trust**: Clear meeting rules and valid resolutions (under the Corporations Act) help members trust that decisions are lawful, transparent and properly recorded.

To the organisation

- **Stronger governance and reduced risk**: Member scrutiny and the requirement to provide avenues for concerns help strengthen governance and reduce the risk of poor decision-making going unchecked.
- **Mission alignment**: Member oversight helps keep strategy and resource use aligned with charitable purposes and community benefit outcomes.