

Revising the NZAIA Constitution/Rules.

[original tabled at September Core Group meeting, before Select Committee's report of 3rd Nov 2021]

When the new Incorporated Societies Act is passed we will need to re-register NZAIA under the new Act before the end of the transition period (possibly 4 years after the Act comes into force). Therefore we will need to review and then revise our constitution, to make sure it meets the requirements of the new legislation.

It is worth noting the principles that “underpin the new regime” [see document: *IoD_Guide_IncorpSocBill*]

- societies are organisations with members who have the primary responsibility for holding the society to account
- societies should operate in a manner that promotes the trust and confidence of their members
- societies are private bodies that should be self-governing and free from inappropriate government interference
- societies should not distribute profits or financial benefits to their members.

The Incorporated Societies Bill (ISB) s26(1) sets out the required content of constitutions. It doesn't prescribe specific processes in most instances, so allows flexibility on how societies manage themselves as long as the processes are consistent with the legislation. Our Constitution (dating from 1998, with some modifications in 2015) already covers most of the content that the new legislation will require to be in constitutions. In the document *Bill_constitution_content_re_NZAIA* I've highlighted in blue where our constitution already covers required content, yellow indicates where we need to fill some gaps. Our tasks will be to bring existing content up to the needs of the new legislation, plug some gaps, but also take advantage of all this to review all content and update where necessary (e.g. removing the reference to cheques!). Based on that analysis I've tried to organise the work we need to do on our constitution into three categories: governance, gaps, and review/update.

1. Key governance areas to address:

- a. The status of the Core Group.** Under the ISB each society must have a “committee”, comprising at least 3 officers: *“The operation and affairs of a society must be managed by, or under the direction or supervision of, its committee.” (s41(1)).* All members of the committee are deemed to be officers, and subject to certain provisions in the Bill. For instance all our officers will need to be listed on the NZAIA page of the Charities Services website. One issue would be providing, and keeping updated, the name, dob, and address, for all members of the CG. Plus having all CG members on officer status may put people off volunteering to serve on the CG. There are also election/appointment implications (see next point). One option, to simplify things, might be to have an executive committee, comprising Chair, Secretary, Treasurer, and perhaps one other (the membership co-ordinator) for example. Then convert the rest of the core group to an advisory board that is not subject to “officer” requirements. There are other possible configurations we can explore, if we want to have a separate “committee” as such.
- b. Election or appointment of the committee:** the ISB does not specify how committee members should be decided, other than using the words “appointed” and “appointment” in several places. However, given the first two bullet point principles above, there seems to be an expectation that appointments will have some involvement of the wider members: NZAIA does this at present through its AGM but processes suggested by (i) the example constitution from the Companies Office (see section 7.0 in document: *Example_rules*), and (ii) the three options provided in the Constitution Builder (also Companies Office) (document called *Election_options*), suggest we need to consider a more formal process of appointing officers. Hence one reason for re-considering the status of the core group....

- c. **Term limits.** Linked to officer appointments, we probably should specify the term of such appointments clearly. Could be annual (as implied in our rules at present) or 2-3 year terms, etc. Note this does not prevent existing office holders being re-appointed.
 - d. **Timing of the AGM.** The AGM should be held within 6 months of a society's balance date: our balance date is 31 December. At present, due to the past linkages of conferences and AGM, we hold our AGM 11 months after the balance date....so in effect we end up reporting on the previous year's finances when the current year is almost over!
2. Key gaps to fill.
- a. **Register of members:** in effect we do have a register, but perhaps need to formalise it as part of our membership policy and practices. It is an important part of the ISB so we need to show we are meeting it.
 - b. **Dispute resolution processes,** to cover disputes between a member and NZAIA. Another areas the ISB emphasises, so we need to have something explicit in our rules.
 - c. **AGM processes:** tidy these up and make sure we cover the ISB requirements.
3. Other issues:
- a. **Review duties of the three main officer positions:** Chair, Secretary, Treasurer. The ISB requires we name a contact person, which might be part of the Secretary's role. But we need to update some of the other aspects, regardless of the ISB (e.g. permissions re financial transactions, etc.).
 - b. **General update of the constitution,** including our Objects/Purposes, ethics, etc. Not ISB driven, but overdue to reviewing.

Our constitution is in reasonable shape, except for the points raised above. While we don't need to rush to make changes; any proposed changes must go to our AGM for membership approval. Good process dictates that the membership must be involved in the development of proposals, so significant changes will probably only take place after the 2022 AGM.

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On behalf of the Core Group

[This revised document dated 23rd Nov 2021]