



SPECIAL GENERAL MEETING

Sunday 5th November 2017 10.30 am

Notice is hereby given that a Special General Meeting of the Auckland Bridge Club Inc, will be held prior to the Annual General Meeting at the Club rooms to consider changes to the Rules of Auckland Bridge Club Constitution.

AGENDA

1. Apologies
2. Alteration to the Rules of the Constitution (Full details can be obtained from web-site or on request from Office)
 - Rule 4
 - Rule 10b
 - Rule 12a, 12b, 12c
 - Rule 13b, 13c, 13f; 13g; 13h
 - Rule 14f
 - Rule 15a, 15b, 15c
 - Rule 16
 - Rule 17
 - Rule 20b
 - Rule 21b
 - Rule 26
 - Rule 27

Anne Barrowclough
President
15 October 2017

Background: It has become apparent to the committee that its tasks and duties have evolved and changed over time, and the move, five years ago, to resource the Club with paid employees - the Club Manager and Membership Services manager -has created a change in the focus of the committee: from the doing to the empowering; from the day to day management to the future visioning.

Aligned with this change in focus, it is very apparent to the current Committee that those that want to volunteer to assist – be it in helping with lessons, supporting with food, broadening the services we offer etc., – are best directed through the

team who deliver day to day – they are well placed to oversee, resource and build on the volunteer passion and interest.

Overlay all of this with increasing requirements around responsibilities and accountabilities expected from committee members, and the appeal of meetings and strategic planning – always a bit of a challenge at the best of times– requires a certain skill set/type of person, and way working.

The current Committee has undertaken a review of the constitution so that it better reflects the way the Club operates and clearly details the expectations required from its Committee, while also ensuring the protection and integrity of the Club and its membership.

Full Details.

There are two main drivers behind the Committees proposed changes to the Rules.

One is the change in working patterns and the on-going challenge across all sectors to engage with volunteers in a range of capacities, and the other is the outcome of the review of the Incorporated Societies Act 1908.

The draft replacement legislation that is being considered will focus on the need for officers and committee members to understand their obligations and responsibilities both as individuals and as a committee. The proposal being considered is that the committee will be responsible for the management of the affairs of the incorporated society, in a comparable manner to the board of a company, so it will be important for incorporated societies to have sound governance frameworks in place. Although this new framework is unlikely to be in place until 2020 ish, it is timely to consider the implications, and build resources and practises to that end.

Volunteering – Governance and operational

The ability to recruit able volunteers in any capacity is becoming increasingly more difficult, as supported by findings here and overseas on the changing expectations and availability of volunteers, as people become time poor, work longer and have higher expectations of 'what they are going to get out of it.'

Reliance on volunteers for committees, again from a clearly defined pool of eligible candidates, is also very challenging – it can create continuity issues, demographic imbalance (those who have more free time tend to be older) and the driving of personal agendas can derail strategic direction, and alongside that, a committee needs to include a diversity of skills and knowledge for it to do its job effectively.

As well, increasing expectations and statutory requirements from NZ Companies Office and Charities Commission around responsibilities and duties of directors/ committee members may, with time, create risks from a restricted selection process, and may deter volunteers from taking on those risks.

The biggest challenge within a volunteer committee is often the lack of distinction between governance and operational matters - the enthusiasm to undertake and see

through tasks that interest committee members is a marvellous resource to tap into but it does work to the detriment of the organisation's focus (accountability, cohesion, and strategy) and it often means operational skills and institutional knowledge are lost each time a member leaves the Committee. The effective way to harness this interest is to encourage all operational ideas through club management who can then resource, support and manage outcomes in a way that is most beneficial to the Club's strategic direction.

A review of Incorporated Societies Act and implication for Officers and Committees

The Auckland Bridge Club operates as an Incorporated Society, and operates under the rules outlined in the Incorporated Societies Act 1908. The key feature distinguishing an Incorporated Society from other business structures, such as a company, is that it must not distribute profits or financial benefits directly to its members. An Incorporated Society is allowed to run a business, provide benefits to members and the public and reimburse members for reasonable expenses, but the members should not have an ownership interest in the society or its assets.

The Act is now more than 100 years old and it has been recognised that it needs updating to help volunteers govern and administer a society in today's conditions. The Law Commission reviewed the Act and published a report, A New Act for Incorporated Societies, in 2013. As a result, the Ministry of Business, Innovation and Employment (MBIE) has prepared draft legislation to give effect to the Law Commission's recommendations: the Incorporated Societies Bill (Bill), and this is currently out for public consultation. .

The Commission specifically identified a number of concerns in their report, including a lack of clear guidance for incorporated societies and their members on matters such as governance and resolving disputes. It was noted in the review that in many cases people were elected to responsible positions within incorporated Societies without having a clear understanding of the responsibilities that are inherent with those positions. Although the current Act does not specify these duties directly, unlike the Companies Act 1993, it is noted that officers of incorporated societies have responsibilities that are similar to those of directors of companies. Similarly the current Act is silent on important issues such as conflicts of interest and potential personal liability for an incorporated society's officers. It is expected that these issues will be clearly addresses in any new legislation.

Although it could take another three or more years before such legislation is likely to be implemented, some of the observations and findings above are important for membership to consider now.

Some examples of the proposed changes are:

1. **Prohibition on financial gain:** The Bill confirms that societies cannot be established for the 'financial gain' of their members. In addition to providing clearer guidance about what constitutes 'financial gain', the Bill creates criminal penalties for officers of societies who operate a society for the financial gain of members.
2. **Number of members:** The minimum number of members required to create a society will reduce from 15 to 10 (and an incorporated body, such as another society, can count as three members).
3. **Officer duties:** The Bill intends to codify the legal duties that all society officers will need to comply with. Those duties are similar to the duties imposed on Company Directors under the Companies Act 1993. At present, the legal duties and obligations of officers of societies are created by common law and can be difficult to find and apply without legal assistance. Basic duties for "committee members" will become more akin to directors' obligations under the Companies Act 1993, and this expected to be expressly set out in the new legislation
4. **Dispute resolution rules:** The 1908 Act does not include any processes for resolving disputes that arise between society members. The Bill codifies dispute resolution processes that will apply to all societies, in an attempt to make it easier to resolve disputes between members.
5. **Powers of societies:** The Bill clarifies that societies have all the powers of a natural person (such as the power to enter contracts) except that those powers can be limited by the society's constitution; and cannot be used to create financial gains for members.
6. **Constitutional requirements:** The Bill specifies a number of matters which must be dealt with in a society's constitutional documents. For example, constitutions will need to include acceptable dispute resolution procedures. Existing societies will need to review their constitutional documents to ensure that they meet the new requirements.
7. **Officer qualifications:** The Bill specifies who cannot be an officer of a society. For example, people under 16 years of age could not be officers of a society under the new law.

8. **Contact officer:** The Bill creates a new role of 'contact officer'. Every society will need to have a 'contact officer' who can be contacted by MBIE staff if they have questions or concerns about the society.
9. **Member liability:** The Bill clarifies and confirms that members are not personally liable for their society's debts and other obligations. Members are only liable to pay their membership fees.
10. **Accounting standards:** The Bill requires societies to file annual returns with financial statements that comply with specified accounting standards. This will raise the standard of financial reporting required and could result in additional accounting costs for many societies.
11. **Change on Dissolution:** members may resolve to liquidate a society at a single meeting, rather than the current double meeting requirement, but 30 days' notice of a motion to liquidate would be required.

DETAILED INFORMATION ON PROPOSED CHANGES TO RULES

Rule 4:

Current wording: The Club shall seek to comply with any requirements imposed from time to time for membership of that organisation so as to continuously maintain such affiliation and benefits of such membership.

Replace with: The Club shall seek to comply with any requirements imposed from time to time for membership of NZ Bridge to continuously maintain such affiliation and benefits of that membership

Reason: Change is grammatical and to improve sense

Rule 10b:

Current wording: Any member expelled under rule 10(a) has the right to appeal, by delivering a notice in writing to the Secretary to that effect within three (3) months from the date of expulsion, to a special general meeting to be convened within 30 days of the date of delivery of such notice at which a majority of two-thirds of those present may reverse the Committee's decision and/or in the alternative censure or suspend the member from membership for a period.

Replace with: Any member expelled under rule 10(a) has the right to appeal, by delivering a notice in writing to the Secretary (16) to that effect within three (3) months from the date of expulsion. A special general meeting to be convened within 30 days of the date of delivery of such notice at which a majority of two-thirds of those present may reverse the Committee's decision and/or in the alternative, censure or suspend the member from membership for a specific period of time.

Reason: Change is grammatical and to improve sense

Rule 12a:

Current wording: The officers of the Club shall be the President, Vice-President, Treasurer and Immediate Past President, who shall be members of the Committee ex officio.

Replace with: The Officers of the Club are the President, Treasurer, and Immediate Past President, who are members of the Committee by holding this office.

Reason: A Vice- President is not a requirement for a functioning committee. The president can deputise committee members based on skills and need. Also change of terminology to use common English

Rule 12b:

Current wording: No person shall hold the office of President for more than two (2) consecutive years but this shall not prevent any ex-President from being re-elected after that person has been out of office for at least two (2) years

Replace with: The president is elected for a two-year term, and is eligible to stand for a further consecutive two- years. Any ex-president can be re-elected on the same basis, after they have stood down from office of President for a minimum of two-years.

Reason: It takes time to deliver to the role, implement change or build momentum. A president comes into the role in November, already four months after year end. It is becoming a difficult role to find those with experience and time to take on. A longer time in office allows for some continuity of tenure and stability in the Committee. As well, an enforced break allows others to step up to the role, and the maximum tenure on the Committee of 10 years (new Rule 13c) restricts length of contribution. Rule 13c would ensure that no one person may be President for more than eight (8) years.

Rule 12c:

Current Wording: All general meetings of the Club and all Committee meetings shall be chaired by the President or in the President's absence by the Vice-President. In the absence of both of them, the meeting shall elect one of their number to fill the chair.

Replace with: All general meetings of the Club and all Committee meetings shall be chaired by the President. In the President's absence the Committee shall elect any other member of the Committee to fill the role of chairperson.

Reason: A Vice- President is not a requirement for a functioning committee. The president can deputise committee members based on skills and need.

Rule 13b:

Current wording: The annual general meeting shall elect the Officers and other members to form a Committee of between five and seven members. This number shall not be exceeded by appointments made under rule 13(f) or co-opted under rule 14(e).

Replace with:

The Annual General Meeting shall elect the Officers and other members to form a Committee of between five and seven members. This number shall not be exceeded by appointments made under rule 13(f) and 13(g) or co-opted under rule 14(e).

Reason:

The focus should be on skills and experience where possible – not on numbers. As the Committee is required to focus more on governance matters than operational, those who want to volunteer to help can do so through delivery of operations by the Club Operations Manager. The limit on the total committee size ensure the members have a strong voice by way of voting as to who is on the Committee, rather than have it filled with appointed members.

Rule 13c:

Current Wording: At each Annual General Meeting the two (2) longest serving members of the Committee shall retire and an election shall be held to fill the two (2) vacancies. In the event that there are more than two longest serving members the two to retire will be determined by way of a ballot. Members of the Committee who so retire may offer themselves for re-election

Replace with:

At each Annual General Meeting the one (1) longest serving member of the Committee shall offer to retire by rotation, and an election shall be held to fill the vacancy. If there is more than one longest serving member, the person to offer to retire will be determined by way of a ballot. Members of the Committee who so retire may offer themselves for re-election but each member may only serve on the committee for a maximum of 10 years.

Reason: Good to have a maximum length of time for a committee member, to ensure the Club gets a balance between experience and new energy, and is not reliant on any one person.

Rule 13f

Current Wording: In the absence of sufficient valid nominations being received and remaining current at the date of the annual general meeting, nominations for any vacancies remaining may be made from the floor.

Replace with:

In the absence of sufficient valid nominations being received and remaining current at the date of the annual general meeting, any vacancies may be filled by appointment by the elected Committee. The Committee may continue to act despite any vacancy.

Reason:

Candidates should follow due process through the nomination process. Members have no opportunity to assess qualifications or skills when nominated from the floor.

Rule 13g:

Current wording: If a vacancy on the Committee occurs between annual general meetings the Vice-President shall fill a vacancy in the position of President, and any other vacancy may be filled by appointment by the Committee. The Committee may continue to act despite any vacancy.

Replace with:

If a vacancy on the Committee occurs between annual general meetings the vacancy may be filled by appointment by the Committee. The Committee may continue to act despite any vacancy.

Reason:

A Vice- President is not a requirement for a functioning committee. The committee members should be tasked to fill any vacancies using rule 14e if they see fit.

Rule 13(h):

Current wording: Any elected officer or committee member must attend no less than seven (7) committee meetings in any one financial year. Dispensation may be granted by the President. Failure to attend the required number of meetings without dispensation will result in the appointment as an officer or as a committee member being terminated forthwith.

Replace with:

Any elected officer or committee member or appointee 13(f); 13(g) or co-opted member (14e) must attend no less than two thirds of the committee meetings in any one financial year. Dispensation may be granted by the President. Failure to attend the required number of meetings without dispensation will result in the appointment as an officer or as a committee member being terminated immediately.

Reason:

Expectation of commitment and follow through.

Rule 14(f)

Current wording: ...Only Committee members elected under rule 13(b) or appointed under rule 13(f) or co-opted under rule 14(e) who are present.

Add: after 13(f); 13(g)

Reason: Include all ways members can become Committee members

Rule 15:

Current heading: Club Manager

Replace with: Club Operations Manager ('The Manager')

Reason: This title better reflects the role required to lead the development and execution of the Auckland Bridge Club's long-term strategy to build a resilient club, focused on strong membership relationships, teaching excellence, quality of resources and staff, financial oversight and growth for the future, information management, marketing and sponsorship, and systems and processes.

Rule 15(a):

Current wording: The Club Manager will be appointed in accordance with Club employment policies and will be required to act at all times in accordance with Club policy to deliver to the Strategic Plan and objectives of the Club.

Replace with: The Manager will be appointed in accordance with Club employment policies and will be required to always act according to Club policy to deliver to the Strategic Plan and objectives of the Club.

Reason: Grammatical changes and title of The Manager

Rule 15(b): Change in title of The Manager

Rule 15(c): Change in title of The Manager and grammatical change 'off-site'

Rule 16: Change the title of The Manager

Rule 17: change the title of The Manager

Rule 20b:

Current wording: Authorities for payment shall be signed/authorised by two persons including the Treasurer and/or secretary and another appointed by the Committee for that purpose.

Replace with: Authorities for payments shall be signed/authorised by two persons including the Manager and/or the Treasurer and/or the President and/or another person appointed by the Committee for that purpose.

Reason: Ensures approval requirements met without impacting on ability to operate

Rule 21b: Grammatical change to include an apostrophe in arm's

Rule 26: Add a hyphen to 'thirty-five'

Rule 27:

Current wording: Particulars of any proposed changes must be given in the notice convening the meeting.

Replace with: Detailed information about any proposed changes must be given in the notice convening the meeting.

Reason: Clearer understanding