



TOPIC The AGM its place and its future ?
DATE: 30 August 2014

BACKGROUND

AGM in its present form is past its ‘use by’ date. The format has remained the same for nearly all of the past 83 years – in particular:

- (a) The AGM is not very representative of the range of clubs in FMC
- (b) The AGM has no strong policy making function in FMC

The method of electing the Executive is:

- (a) Complicated – it has three separate opportunities for receiving nominations.
- (b) Doesn’t proactively involve many clubs.
- (b) Historically it has not proactively involved many clubs
- (c) Could deter new people from putting their name forward.

By addressing these issues FMC may encourage a climate where Clubs feel they have a greater input and involvement with FMC and that FMC belongs to them.

Participation of Clubs at AGM

For the statistics Refer to Appendix A [AGM Club participation 2008 -2014]

The assumption is that the AGM is “democracy at work” All clubs can attend, move remits and elect the Executive. The delegate proxy voting structure is in our rules to enable clubs to vote even if they cannot send a delegate. The reality is there has never been more than 50% of clubs represented through their votes. More than 50% of our member clubs choose to not exercise their right to vote.

Less than 25% of clubs exercise their right to send a club member to the AGM and only a handful of clubs who do not have an Exec member among their membership send a person to the AGM. It is unrealistic to expect a typical tramping club in the regions to pay for one of its members to attend a one day AGM in a metropolitan centre. The fact that the delegate numbers at the AGM are weighted in favour of the Executive is because the Executive member’s clubs do not have to pay their delegate’s travel.

On paper the system is democratic. In practise it is not.

In 2014 there were 134 potential votes - 40% of these were used as either delegate or proxy. The proxy/delegate voting structure enables the Executive to control the AGM. It is theoretically possible for the Executive to exercise 85 votes among its members this is 63% of the total possible vote in 2014. Over the past 7 years the executive between them have always held, by delegate or proxy, more than 50% of the voting strength at each AGM.

FMC has 83 clubs. 46% of them have never participated in an AGM either by delegate or proxy in the past seven years. Just 13 clubs approach anything like regular (ie more than 50%) attendance and most of these 13 are the clubs of Executive members. The idea that the AGM provides a democratic opportunity for all clubs to participate is not reflected by reality.

Clubs that have attended 5,6, or 7 AGMS

Alpine Sports Club (6)	Taupo TC (7)	Hutt Valley TC (6)	Parawai TC (7)
Otago T & MC (7)	NZAC (6)	Tararua TC (5)	

The cycle of Auckland- Christchurch-Wellington is supposed to enable clubs around the country to be involved at least one year in 3. It favours clubs in these cities. The cost of sending a delegate to an AGM is prohibitive for clubs outside these cities. Some out of town clubs can arrange for a member who happens to live in the AGM town or is travelling there for other reasons to attend. Some organisations provide travel or balancing funding to share this cost – this is not recommended for FMC !

The Constitution and the AGM

The Constitution says little about the function of the AGM in the hierarchy of the FMC.

In some organisations the AGM is defined to be the supreme policy body. An AGM can overturn an Executive decision and decisions made by AGM's cannot be reversed by the Executive. FMC is not in that category.

In some organisations AGMs have agendas full of remits from clubs. Going back 10 years the FMC AGM has received a remit from a club just once. [2011 when Auckland TC gave notice of a remit regarding Annual Hut Passes and Hut bookings for huts in Cormomandel/Kaimai area]. Sometimes remits spring up from the floor in general business but these are not in the same category as a club setting out to promote a remit, preparing the wording, circulating it to clubs and then bringing it to the floor of the AGM. There appears to be no demand from clubs for that right.

Rule 4(e) allows a club/member who has been expelled from FMC to appeal to a General Meeting. Note that this is any General Meeting - not explicitly to the AGM

Rule 6(f) provides that the AGM is where the finalising of Exec elections takes place.

Rule 8(a) requires that the AGM be held within 4 months of the end of the financial year.

Rule 8(c) says that notice of the AGM will be sent to clubs “.....*giving Member Clubs the opportunity to raise business, including alterations, additions or deletions to this Constitution in the form of remits and subjects for discussion*”

Rule 9.1(g) requires that a sub increase which is greater than 20% must be approved at a General Meeting (not necessarily an AGM)

Worth noting that the AGM is not required to approve the Annual Accounts or Annual Report. Rule 10(b) only requires that the Executive arrange a financial review of its accounts. There is no requirement to present the results of this review to member clubs. This is also not a requirement of the Incorporated Societies Act (see Appendix B).

The AGM no longer approves the subs for the following year.

The rules do not require that the budget be submitted to the AGM for formal approval

Rule 12 provides that changes to the rules need to be approved by a General Meeting - Not necessarily an AGM

Summary:

The only rule which has actions which have to take place at an AGM is 6(f) - election of Executive. All the other rules refer to General Meetings and not explicitly an AGM.

Incorporated Societies Act 1908

Refer to Appendix B for the relevant parts of this Act and comments from the Incorporated Societies website on the matter of Annual General Meetings.

Publicity Value of the AGM & Appeal to Members

The demographic of attendees at the FMC AGM must be similar to the Forest & Bird, RSA, Grey Power, NZ First AGMs. It reinforces the perception that it is a meeting for the “oldies” It’s a meeting that continues to run in the 21st Century the same way it ran 30, 60 or even 80 years earlier.

It is a meeting that met the needs of its time when it was enshrined in the rules but time has moved on – has the meeting changed ?

The exceptions have been the FMC Conferences. At these is considerable effort is put in to the theme, agenda, speakers, workshops and as a result FMC gets good attendance, good publicity and wide member involvement.

Cost

AGM venue hire and catering costs around \$1500 - \$2000 each year.

Travel for resigning executive members costs anything from \$200 to \$1000 each year. Travel for continuing executive is an existing cost if the exec meeting is held the next day

Issues

- 1 The AGM is not functioning as an opportunity for clubs to be involved with FMC
- 2 The present format does not appeal to the majority of our member clubs.
- 3 Format of AGM ignores modern developments in communication technology
- 4 AGM costs \$2000 - \$3000 (approx.) This money might be spent in a more productive way
- 5 There have been many “workshops” at past AGMs. How many have resulted in an effective change or action by FMC

EXECUTIVE ELECTIONS

The one function the Constitution explicitly assigns to the AGM is the confirmation of the election of the Executive. Changes to the AGM would lead to the need for changes in the method of election of the Executive.

The current procedure gives three opportunities for people to be nominated:

- (a) By clubs by the closing date
- (b) By the executive in a time frame of 2 weeks after the closing date
- (c) By any delegate from the floor of the AGM

Method (b) seems unnecessary as the Executive already has, under existing rules, the power to appoint any Special Vice Presidents and / or to coopt a person onto the Executive to fill any vacancy.

Method (c) leaves the executive open to having people appointed who have no background in FMC matters, are not known to the majority of clubs and may be quite unsuitable to work as part of the executive team.

By simplifying the election procedure and putting a greater emphasis on each club being involved directly in the election FMC may engender a generally higher level of interest among clubs in its work.

A related point is that the rules are silent on who conducts elections. It's traditionally been the secretary even though for many years the position of secretary was itself an elected position. This meant the secretary was managing the election for their own position. The Returning Officer would logically be the Administrator but the rules need to enable any person to be appointed to this position.

At present Executive members have their travel/accommodation costs paid to attend the AGM – an Executive meeting is traditionally held the following day. If a person, not on the Executive stands for election and is successful then their travel/accommodations costs to the AGM are refunded. If they are not successful then they do not get any reimbursement. Past history indicates that when an election is required candidates who do not attend the AGM reduce their chance of being elected. This policy deters new people from standing for election. If there were 16 nominations for 13 positions then people would not know whether they need to book accommodation/travel for two days or one day. Removing the election of the Executive from the AGM would resolve this and all candidates would be treated equally. This practise is not enshrined in the Constitution but for many years Executives have considered it to be cost efficient to have a meeting in the same town and on the same weekend as the AGM.

Possible solutions

Some of these will require changes to the Constitution.

1. Put the Annual Report as an insert in the June Bulletin to better ensure every member gets a copy. There will be a cost as we would print 11000 instead of present 1250 + the cost of insertion.

2. Circulate Annual Accounts to clubs - no change.

No approval at any General Meeting of these would be sought. The rules do not require it now so there is no change required to the rules.

3. The rules should provide for the appointment of a Returning Officer to be clear about who manages the election process.
4. Change the Election of Executive to a postal/email method.

Nominations called for – same as at present.
 When required profiles are prepared – same as at present
 A ballot paper + profiles is sent to clubs – same as at present
 Clubs return ballot paper to FMC by email/mail - new
 Result of election declared.

A possible time frame and procedure to do this is attached as Appendix C & D

If there are insufficient nominees the Exec has the power under rule 6(e) to fill the vacancy by co-option at any point after the result is declared .

The two week time frame for Exec to add to the list of nominees and the possibility of nominations from the floor of the AGM would be removed.

4. The Executive make a point of visiting clubs on a regular basis. Encourage clubs to notify FMC of their AGM and an Exec member could attend a club AGM. Useful to promote membership of FMC in Partial Clubs and also to promote the FMC Mountain & Forest Trust on such a visit.

To encourage club participation in FMC:

- 5 Plan that every 3 (or 5 ?) years FMC run a “Themed” Conference in winter with quality speakers and promote this to clubs. Something similar to the 2011 Conference but maybe only 1 day.
- 6 Set in place a plan whereby every club is visited by an FMC Exec member at least once every 4 years. With 80 clubs and (say) 10 exec members this would require each Exec member to visit 2 clubs per year.

Club Involvement in changes.

It is highly desirable that Clubs are kept informed of proposals in this area and be invited to comment. By doing this FMC avoids antagonising clubs and clubs feel their views are sought and considered.

Following the model of the way FMC involved clubs in the previous major change to the way subs are set and the Full/Partial club structure we should follow the same pattern: Viz: inform all clubs by way of a circular of the plans as soon as possible, invite comment and ensure all comments & questions are acknowledged and then based on club feedback make the final decision on whether to proceed at a full Executive meeting.

APPENDIX A

AGM Club participation 2008 -2014

Year	2008	2009	2010	2011	2012	2013	2014
Location	Chch	Wgtn	Auck	Wgtn	Chch	Auck	Wgtn
Number of people with voting rights	38	30	22	38	20	31	27
Number of clubs represented by a delegate	24	15	11	22	15	20	17
Number of clubs represented by proxy only	13	15	11	13	7	10	10
Number of non executive members present as delegates or proxies	19	14	10	20	14	14	7
Total number of votes exercised (not inc NZAC)	49	37	38	70	42	53	54
Elections required	President	-	-	Executive	-	Vice President	-
Notes	Barbara Marshall's farewell			80 th Conference			

Number of AGMs clubs have participated in since 2008:

Number of AGMS	0	1	2	3	4	5	6	7
Number of Clubs	38	17	9	7	6	1	3	3

APPENDIX B

FROM Incorporated Societies Act 1908:

6 Rules of incorporated societies

- (1) The rules of a society shall state or provide for the following matters, that is to say:
 - (a) the name of the society, with the addition of the word “Incorporated” as the last word in that name:
 - (b) the objects for which the society is established:
 - (c) the modes in which persons become members of the society:
 - (d) the modes in which persons cease to be members of the society:
 - (e) the mode in which the rules of the society may be altered, added to, or rescinded:
 - (f) the mode of summoning and holding general meetings of the society, and of voting thereat:
 - (g) the appointment of officers of the society:
 - (h) the control and use of the common seal of the society:
 - (i) the control and investment of the funds of the society:
 - (j) the powers (if any) of the society to borrow money:
 - (k) the disposition of the property of the society in the event of the society being put into liquidation:
 - (l) such other matters as the Registrar may require to be provided for in any particular instance.
- (2) The rules of the society may contain any other provisions which are not inconsistent with this Act or with law.
- (3) The rules of the society and any amendment of those rules shall be printed or typewritten.

From the Registrar Inc Societies website:

The rules **must** provide how meetings will be held

A general meeting is a meeting that all society members are invited to attend. The rules must set out how general meetings are called, run and how voting is conducted.

How members are notified of a general meeting.

For example, does notification need to be in writing? What sort of notice period is required.

How the meeting will be run

For example, the number of members required to make a quorum, who can propose agenda items and how.

Voting rights at the meeting (eg, life members may have two votes, while ordinary members have one.)

The rules **may** also cover:

Whether there will be different types of general meetings.

Annual general meetings - usually where office holders and committees are elected, accounts are considered, the year's activities reviewed and plans made for the year ahead.

General meetings held on a more regular basis. For instance, some societies may hold monthly general meetings.

Special general meetings - called when required to discuss urgent business such as to alter the rules.

Other types of meetings that the society may wish to hold. For example, committee meetings.

APPENDIX C

ELECTION TIMEFRAME

THIS YEAR		POSSIBLE (2015 dates)	
		November 2014 Exec meeting	Appoint the Administrator as Returning Officer for elections
7 March <i>14 weeks before AGM</i>	Notice of venue, request for remits, rule changes and calling for nominations [Rule 8(c)]	6 March	Call for nominations All nominees required to provide a profile (max 200 words) by closing date. Photo not required.
18 April <i>8 weeks before AGM</i>	Closing date for remits, rule changes and nominations [Rule 8(c)]	17 April <i>(allows 6 weeks for nominations)</i>	Nominations close
2 May <i>6 weeks before AGM</i>	Closing date for Exec to nominate people for the Executive if there is a shortfall [Rule 6(f)]	24 April *1 <i>(1 week for p/copying etc)</i>	Ballot papers and nominee profiles sent to clubs. Annual Report and Annual Accounts sent to clubs
9 May <i>5 weeks before AGM</i>	Formal notice of AGM with notices of remits and rule changes advised to clubs [Rule 8(b)] Annual report, Annual Accounts, Officer nominations sent to clubs [No rule applies]	31 May *2 <i>(allows 5 weeks for clubs to vote)</i>	Voting closes
14 June <i>AGM</i>	Election declared	1 June	Returning Officer announces results.
15 June	1 st meeting new Executive	14 June	1 st meeting new Executive
<p>Comment:</p> <p>The dates are determined by “weeks before the AGM” and the requirement to hold an AGM before the end of June.</p> <p>Allowing 2 months to prepare and print the Annual Report and Annual Accounts the earliest these can be posted is 1st week of May which determines that the AGM should be in the second week of June</p>		<p>Comment:</p> <p>*1 The determining date is probably the date at which the Annual Report and Annual Accounts can be ready for posting to clubs. Makes sense to send Ballot papers & Annual Report in same mailout.</p> <p>If the Annual report was ready earlier then the whole timeframe could be earlier.</p> <p>*2 Some clubs meet monthly so allowing 5 weeks means all clubs that meet at least once a month would have a meeting in this time frame</p>	

APPENDIX D

Postal / email ballot procedure

- 1 Immediately following the closing date for nominations the Returning Officer determines whether an election is required:

Where there are fewer nominees for the number of positions available or the number of nominees equals the number of positions available then these nominees are declared elected by the Returning Officer. The Executive can then consider the question of co-option to fill any remaining positions.

Where an election is required then the Returning Officer will prepare:

Ballot paper(s) for any positions requiring an election

A document containing the supplied profiles of all nominees for positions.

A summary sheet for clubs to return their voting results. Summary sheet would require signature of a club officer. If the details are sent in by email then the email must be in the name of a club officer.

Instructions for clubs.

- 2 This material is posted to clubs on due date.

Clubs receive the number of ballot papers = to the number of votes they are entitled to exercise.

This enables clubs with more than one vote to split their votes as the club sees fit.

3. Clubs vote – how a club determines its votes is a matter for each club to determine.
- 4 Where a club has only one vote the club can return the ballot paper with the summary sheet signed by a club officer.

Where a club has more than 1 vote the club counts its own votes and enters the results on the Summary Sheet and returns to Returning Office to arrive no later than the closing date.

A club can email the details on the Summary Sheet to the Returning Officer provided the email is in the name of a club officer.

- 5 Returning officer checks club votes as they are received to ensure that each club only sends one return and that the maximum number of votes cast for any one nominee and the total number of votes cast does not exceed the number of votes allowed for that club.
- 6 Returning officer totals the votes and advises nominees and clubs of the result.

Sample Voting Paper

FMC Executive Voting Paper 2011

You may vote for a maximum of 13 people



BARNES, David	<input type="radio"/>
BROWN, Rob	<input type="radio"/>
COX, Owen	<input type="radio"/>
GRESHAM, Paddy	<input type="radio"/>
HADDON, Tony	<input type="radio"/>
HOOPER, Baz	<input type="radio"/>
McNEILL, Robin	<input type="radio"/>
MITCHELL, Rob	<input type="radio"/>
MORRIS, Barbara	<input type="radio"/>
PAGE, Dennis	<input type="radio"/>
ROUND, David	<input type="radio"/>
SMITHYMAN, Bernard	<input type="radio"/>
STEPHENSON, Brian	<input type="radio"/>
TOPPING, Lesley	<input type="radio"/>
WILSON, Peter	<input type="radio"/>

Sample Summary Sheet:



CLUB VOTING SUMMARY

Name of Club: _____

Candidate	Number of Votes
BARNES, David	
BROWN, Rob	
COX, Owen	
GRESHAM, Paddy	
HADDON, Tony	
HOOPER, Baz	
McNEILL, Robin	
MITCHELL, Rob	
MORRIS, Barbara	
PAGE, Dennis	
ROUND, David	
SMITHYMAN, Bernard	
STEPHENSON, Brian	
TOPPING, Lesley	
WILSON, Peter	

I confirm that the voting recorded on this sheet is correct:

Signed: _____

Position: _____

Date: _____

RETURN TO FMC TO ARRIVE NOT LATER THAN 5:00pm on 31 May

Post: P O Box 1604, Wellington 6140

Email: administrator@fmc.org.nz