

# AMSA FRAMEWORK FOR THE FUTURE – GOVERNANCE REVIEW

## 1. Introduction

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This document outlines personal observations, for AMSA Board consideration, of the following documents published for review and seeking feedback.

1. AMSA Proposed Constitution 2017
2. Explanatory Memorandum – Summary of Proposed Draft Constitution and Consequential Governance
3. Membership By-Laws 2017
4. AMSA Governance Overview
5. AMSA Corporate Governance Statement
6. AMSA Board Charter
7. AMSA National Membership Advisory Committee
8. AMSA Board & Employee Code of Conduct

Note, these documents reference other documents not included in this set, some of which don't appear to exist on the AMSA web site.

I wish to state that I support the AMSA initiative to review and update the current constitution and governance structure in general. I also support the organisational structure of Sheds and State Associations under the AMSA umbrella and the attempt to give Sheds more input to the election process.

However, I will not be surprised if there are very few responses with sufficient comments to indicate a serious inspection of the documents has occurred. This is based on the discussions with sheds over time and the general apathy towards AMSA governance. This in turn will provide a measure of commitment from sheds towards the board election process and members meetings and the operational challenges for AMSA.

I believe the attempt to give a vote to sheds may be good in principle, but will not work in practice.

Based on that assessment, I would recommend maintaining a similar approach to board elections as the current process. Sheddors elect their committee from people they know. When sheds work together, they get to know other committee members and elect state representatives who they know. Similarly state directors know who they elect to be board members. So long as there are safeguards in place for states to withdraw support for their nominee and the board to pass a vote of no confidence.

After studying the documents, with the possibility of misunderstanding some, I believe the overall quality of the documentation and practical implementation can be improved further. In particular the constitution, which will be more difficult to update later, should be updated and republished.

## 2. Observations for Board Consideration

### 2.1. AMSA Proposed Constitution 2017

Section 8.2 Quorum – The practicality of having 5% of members attending a members meeting is unlikely and will therefore rely on proxies. I believe the management of proxies needs to be defined (maybe in by-laws) to avoid the risk of vote stacking. This should include the maximum number of proxies allowed to be held by one person and that the Secretary needs to be notified of proxies, say 2 days, before the meeting.

Section 9.6 (d) Election procedures – In the unlikely event of a tie, how will the result be resolved in time for the AGM?

Section 9.7 (c) Term – The text is confusing with poor qualification regarding director. I would suggest separating elected and appointed directors into separate clauses and include a similar statement of gap before an elected director can seek re-election.

The Governance statement (standard 4) states that no director can hold office for more than 6 consecutive years while the constitution mentions 9 years.

Section 9.8 Transition Period – I believe there should be a statement regarding the immediate resignation of ACT and NT board members who will no longer have a position on the board. However, they can stand for re-election as Regional representative (Assuming NSW and SA are in the first round). Please consider what may happen if not in the first round.

Section 11 Chairman and Deputy Chairman – Please consider if these can be any director or if they are limited to elected directors.

Section 12.1 Minimum number of Board meetings – This conflicts with AMSA Corporate Governance Statement, which states there will be six meetings. One of the documents should be changed for consistency. I would suggest six is changed to Four.

Section 16 Honorary positions – I would suggest for clarity this section includes a statement that life members do not have voting rights due to the use of the term “members”.

Section 23.1 Definitions – the term “Board” is documented twice. I suggest the line after “Corporations Act” is deleted as it is the one out of alphabetical sequence.

Section 23.1 Definitions – the term “Member” is referred to as a “person” instead of a “Shed” or “State Association”.

### 2.2. Explanatory Memorandum – Summary of Proposed Draft Constitution and Consequential Governance

This document would be easier to reference if it had section numbers of some kind.

Page 2 second last paragraph starting “AMSA now proposes provide the...” – Besides the grammatical error at the start, this paragraph assumes that the elected board members are “state based directors”, but this is not necessarily so because any shedder can be nominated to represent a

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Region. See constitution section 9.4. This also appears to conflict with Governance Overview (Principles) section 7. (Possible ambiguity re “State based”, which I read as State Association committee members. Should it be “region based”?)

Page 3 third paragraph starting “These By-Laws...” include a list of by-laws, some of which are not available or not by-laws. E.g. AMSA Volunteer Field Support Officers.

Page 9 second paragraph in major cell – states “...Northern Territory and the Australian Capital Territory to be taken to form part of New South Wales and South Australia respectively.” NT is not part of NSW Region and ACT is not part of SA Region. Please change sequence to align correctly. In the same paragraph the example “...for example, only Shedders from South Australia will be eligible to nominate as the Director from the South Australia/Northern Territory Region...” eliminates the possibility of an NT shedder being nominated to represent the region. This would imply that an ACT shedder could not be nominated to represent the NSW/ACT Region. This contradicts the constitution section 9.4.

## 2.3. Membership By-Laws

Section 3.1 (b) –Simple typo correction. “...determined from by the Board time to time;” should read “...determined by the Board from time to time;”

Section 6 Eligibility for state associations. I believe this section should include a clause that elected board/committee members need to be members of AMSA sheds within their state. It should also be included in section 7 for ongoing membership. This is also worth considering for inclusion in the constitution.

Section 10.2 - This section only applies to state associations, Should something similar apply to sheds to show the logo on at least their home page? How about other social media such as Facebook?

## 2.4. AMSA Governance Overview (Principles)

Section 1. The role of the Australian men’s Shed Association – paragraph 3. I believe this paragraph could be strengthened for clarity by adding “...over and above any of their inherent interests in either their shed or state.” This may need to be reinforced in the board code of conduct.

Section 4. Minor typo - A website that acts as an entrance to other websites on the Internet is called a “Portal” not a “porthole”

Section 7 second paragraph. This appears to be implying that the elected board members will not be from the state committee, but it is unclear when reading all the documents and current board members being available for re-election even though they are on their State Association committee.

Section 8. This states that all current board members will retire at 2018 AGM, while the constitution Section 9.8 (b) is only half, decided by lot.

## 2.5. AMSA Governance Statement

This document would be easier to reference if it had page numbers and section numbers of some kind.

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Governance Standard 4 second paragraph. “State-based Directors” should be “Region-based Directors”.

Governance Standard 4 fourth paragraph. States 6 year maximum term for any director while Constitution section 9.7 (c) mentions a 9 year limit.

Governance Standard 5 third section. States that the board meets 6 times during the year , while constitution section 12.1 states 4 times.

## **2.6. AMSA Board Charter**

Section 2.1 responsibilities. The following responsibilities appear to be missing:

- a) Managing the membership applications (even though operation is delegated)
- b) Appointing the Company Secretary, which does not appear to be stated anywhere.
- c) Appointing specialist directors

Section 3.1 Chairman – minor typo. Delete “an” in “...Board is an effective and observes...”

Section 3.2 Company Secretary - This could be improved with a statement of how the company secretary is appointed. The secretary is also responsible for maintaining the register of members.

Section 5.1 Composition and Size. The first paragraph reference to state-based directors should be changed to region-based directors.

Section 5.2 Appointment and Election of Directors. The fourth paragraph appears to be disjointed and out of place as it falls between two paragraphs referring to appointed directors while referring to elected director vacancies. It needs a lead in statement that introduces searching for a suitable candidate.

## **2.7. AMSA National Membership Advisory Committee**

Section 6 Processes & Meeting. I believe the first paragraph should be more flexible and allow meetings to be held using modern technology and not always in AMSA offices. It should also explain the reason for monthly meetings has a minimum requirement to review membership applications.

## **2.8. AMSA Board & Employee Code of Conduct**

Section 1.2 (a) Application. For consistency, this document should be referred to as Code of conduct or by-laws not both.

“volunteers of AMSA” needs to be qualified. Does this mean volunteers down to the shed level, state level or only those helping at the federal level?

Section 2.1 (a) Avoid conflict of interest. I would suggest making this stronger by replacing “should” with “shall” or “must”.

Section 4 (e) Electronic communication. Please consider the need to keep inappropriate material as evidence until any complaint of breach of code action has been resolved.