



FREEMASONS
New Zealand

**The Grand Lodge
of Antient and Free and Accepted Masons of
New Zealand**

All of Governance Review Working Group

Report and Recommendations

8 August 2023



Making a difference in New Zealand

All of Governance Review

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All of Governance Review

EXECUTIVE SUMMARY

1. The All of Governance Review Working Group was charged with the responsibility to review the current governance structure of Freemasons New Zealand and to identify a fit for purpose structure which should meet the needs of its members and the national organisation for the ensuing 10 years.
2. In summary, the Working Group believes that the best interests of Freemasons New Zealand and its members [Lodges, Brethren] will be served by essentially amalgamating the roles of the Board of General Purposes and the Trustees of Grand Lodge; inter alia, this will reduce the “governance” structure from up to 14 Brethren to a maximum of seven persons. The common membership of the Board and Trustees is seen as essential to ensure that there is 100% alignment of the Board and the Trustees when it comes to the governance and operations of Freemasons New Zealand without compromising the statutory roles and functions of the Trustees of Grand Lodge.
3. By a more extensive use of the experience and expertise of the Brethren of Freemasons New Zealand, through a number of “*strategic committees*” and “*project committees*”, a more cost effective and efficient system of governance should ensue. Engaging with the membership through use of committees should ensure that the Board of Directors is kept in tune with the changing needs of the organisation as well as drawing on the extent of knowledge, experience, and particularly business acumen of the Brethren which should have the added corollary of reducing the use of consultants, thereby minimising costs for Freemasons New Zealand.
4. Whilst the Directors and the Trustees would be “*one and same*” persons, there are distinct roles to be undertaken when acting as a Director and when acting as a Trustee, but these separate roles are complementary rather than being conflicting. Many members of Freemasons New Zealand satisfactorily fulfil like roles at Lodge level and in their own personal lives, without conflict in those roles – a simple example at Lodge level could be where the Secretary and/or the Treasurer of the Lodge is also a Trustee of the Lodge.
5. The above represents the main change proposed by the Working Group to the governance structure of Freemasons New Zealand but there are also matters involving Lodges, trusts, charitable trusts, and companies which need to be considered in the best interests of all Freemasons in New Zealand, continuing to ensure that good governance, trust and transparency within Freemasons New Zealand are maintained and enhanced.

RECOMMENDATIONS FROM THE ALL OF GOVERNANCE REIVEW WORKING GROUP

6. The following table of concise actionable recommendations from the All of Governance Review Working Group supports the development of a “*Fit for purpose Governance Structure that meet the needs of the members and the organisation both now and for the next 10 years. The Governance model/structure will extend to all entities governed by the Grand Lodge of New Zealand*”, as required by the Terms of Reference for this Working Group.

Ref No	Recommendation	Mandatory, Consider, Note	Action Target Date	Owner
A	That the governance structure immediately subordinate to the Grand Lodge of New Zealand meeting in Annual/Special/Grand Communication be a Board of Directors and the Trustees of Grand Lodge, with the membership of each being the same persons.	Spec Comm Rules 166, 221	18/11/2023	
B	That the Grand Master and the Deputy Grand Master be ex officio members of the Board of Directors and the Trustees of Grand Lodge.	Spec Comm Rules 166, 221	18/11/2023	
C	That in addition to the Grand Master and the Deputy Grand Master, five other suitably qualified persons be appointed as Directors and Trustees of Grand Lodge.	Spec Comm Rules 166, 221	18/11/2023	
D	That the Board of Directors elects its own Chair and the Trustees of Grand Lodge elect their own Chair – the respective Chairs are not to be the same person, nor will the Grand Master nor the Deputy Grand Master be so elected to either role.	Spec Comm Rules 125.a, 224.b	18/11/2023	
E	That appointment as a Director/Trustee carries no Grand Lodge rank per se; neither does the role of Chair of the Board of Directors nor the Chair of the Trustees of Grand Lodge.	Spec Comm		
F	That the term of the Directors/Trustees be for three years with one right of extension subject to an interview and appointment process therefor.	Spec Comm Rules 167.b		
g	That the appointment of the initial Directors/Trustees take effect from 1 April 2024, with the first term terminating at the Grand Communication in November 2025 where two appointed Directors/Trustees will retire but be reappointed for the 2025-28 and	Spec Comm		

	2028-31 terms, with three Directors/Trustees having the right of extension per (f) above, to November 2028.			
H	That the appointment of the initial Directors/Trustees be undertaken by a Directors & Trustees Selection Committee comprising the Grand Master, the Deputy Grand Master, and other suitable personnel after an interview process has been undertaken; the determination of the Directors/Trustees to retire in November 2025 with renewal of appointment per (g) above to be carried out by lot amongst the five appointed Directors/Trustees.	Spec Comm	28/02/2024	
I	That the appointment of the Directors/Trustees for the 2025-28 term et sequens will be completed at the respective Grand Communication following a recommendation from the Directors & Trustees Selection Committee comprising the Grand Master, the Grand Master-elect, and other suitable personnel.	Spec Comm	18/11/2023	
J	That the appointment of a substitute Director/Trustee should a vacancy arise during the triennial term [from death, resignation or say poor health] be made by a selection committee comprising the Grand Master, the Deputy Grand Master, and the Chair of the Board of Directors; in the event that the vacancy arises from the Chair of the Directors, then the Chair of the Trustees will be a member of the Directors & Trustees Selection Committee; the Board of Directors and the Trustees of Grand Lodge may decide to not fill a vacancy if it was to arise within six months of a Grand Communication.	Spec Comm	18/11/2023	
K	That appointment of the Directors/Trustees is to be based on the principle of the “ <i>best person for the job</i> ” vis-à-vis being by Grand Lodge office (except for the Grand Master and the Deputy Grand Master) nor including geographic representation, and may include non-Freemasons, if necessary, should in any term insufficient interest from suitably qualified Freemasons be received.	Spec Comm Rule 221.a	18/11/2023	

L	That the current process for filling the office of Grand Master be retained, with The Grand Masters Selection Committee comprising the Grand Master and the Past Grand Masters making a recommendation to the Board of Directors before the nomination is circulated to Lodges for support.	Rule 156	April 2025	
M	That the Deputy Grand Master appointed by Grand Master following a recommendation from the Grand Masters Selection Committee [including the selected Grand Master for the ensuing term]	Rule 125.a	June 2025	
N	That a committee structure be set in place to assist in the effective governance of Freemasons New Zealand – that committee structure to include “Board committees” comprising Board members only; “strategic committees” which have a Director as a member but not as Chair; “project committees” which would not normally have a Director as a member – details of the likely committees are included paragraphs 44 – 77 in the body of the report from the Working Group.	BoGP		
O	That a long-term vision involving a net increase of membership of 1%pa be endorsed and be the underpinning principle of the five-yearly strategic plan for Freemasons New Zealand.	BoGP		
P	That the “chief executive” of Freemasons New Zealand be the chief operating officer and also the Grand Secretary in the event that the “chief executive” is a member of Freemasons New Zealand; in the event that the “chief executive” is not a Freemason, then the role of Grand Secretary be filled on a volunteer basis by a suitably qualified member of Freemasons New Zealand (currently advertised as of 8 August 2023 as Executive Director role).	BoGP		
Q	That a panel of trustees be established for each Division, to assist Lodges when necessary and upon request from the Lodge or its trustees; the panel may also fulfil the trustee role on a charitable trust pursuant to Collected Ruling 56, as the Divisional Grand Master’s appointee.	BoGP/GL Trustees		
R	That a central register of trusts, charitable trusts, limited liability companies, and other	BoGP		

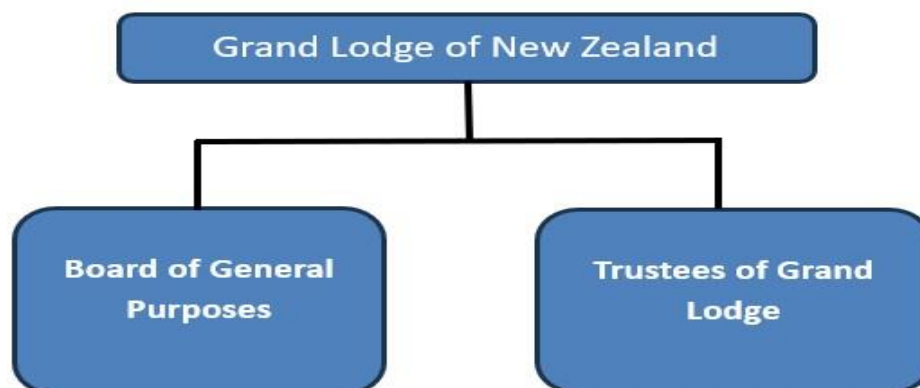
	Masonic legal entities and persons be established and maintained, so that Freemasons New Zealand can garner information of Freemasonry-related entities operating throughout New Zealand.			
S	That all such entities and persons encapsulated in the previous sub-paragraph comply with the Book of Constitution and Collected Rulings, especially in relation to annual reports and financial statements being provided to the Grand Secretary.	BoGP		
T	That Rule 2 of the Book of Constitution be amended to include “other Masonic legal entities and persons” within its definitions, and Rule 239.c be amended to have application to “other Masonic legal entities and persons”.	Spec Comm Rules 2, 239.c	18/11/2023	
U	That Collected Ruling 56 be expanded to encompass all “other Masonic legal entities and persons” rather than be focussed on charitable trusts, with the suggested amendment contained in paragraph 98 of the Working Group’s report also being adopted.	BoGP		
V	That Lodges and other Masonic legal entities and persons be encouraged to place their investments funds in either the Heartland Bank or in a pool of funds managed by the investment advisors appointed from time to time by the Trustees of Grand Lodge; ownership of the funds so invested remains with the individual Lodges and/or other Masonic legal entities and persons.	BoGP		
W	That the draft position descriptions for the Directors and Trustees be adopted by the Board of General Purposes.	BoGP	30/11/2023	
X	That the Directors and Trustees undertake appropriate training and refresher courses, as outline in paragraphs 109-112 of the Working Group’s report.	BoGP		
Y	That the proposed amendments to the constitution of The Freemasons Charity be noted.	BoGP		

REVIEW INITIATION - TOR

7. The Grand Master [“GM”], M W Bro Jim Watt, announced a series of reviews into different structural and procedural arrangements across Freemason New Zealand (“FNZ”). One of the first to be initiated was this All of Governance Review, with a primary remit to ensure that the FNZ governance is set for the future and takes into account the changes that have come over time in respect to reduction in lodges, introduction of technology and process improvements, and new legislation such as the 2019 Trusts Act which replaces the 1956 Trustees Act, the Charities Act, Companies Act 1993 and other relevant legislation.
8. As signalled in his address at the 2022 Grand Installation, the GM has established the All of Governance Review Working Group to investigate a *“Fit for purpose Governance Structure that meet the needs of the members and the organisation both now and for the next 10 years. The Governance model/structure will extend to all entities governed by the Grand Lodge of New Zealand”*.
9. As such, the Working Group is directed to take into account the need for a more cost effective and efficient structure to serve the needs of a smaller membership.

BACKGROUND

10. The current governance structure was set in place in 2000 following a review of the structure of FNZ; prior to the changes to the Grand Lodge Officer structure, there were 13 Provinces throughout New Zealand – this was changed to meet the smaller membership base (then around 17,500 members) by the dissolution of the Provinces and the introduction of three Divisions and 33 Districts. With the passage of time since 2000, there are currently three Divisions and 15 Districts, with a net membership of around 4,870 at the moment, along with the governance structure outlined below.
11. The current governance hierarchy structure of FNZ is as follows:



12. Of recent times, the Grand Lodge of New Zealand [“Grand Lodge”] has met on a triennial basis at the Grand Communication which precedes the triennial Grand Installation – the Grand Lodge, when it is meeting as a Special/Annual/Grand Communication, is the supreme body in terms of the governance of the Craft under the **Grand Lodge of Antient Free and Accepted Masons of New Zealand** [refer Rules 13 and 14 of the *“Constitution and Laws of The Grand Lodge of New Zealand”* commonly referred to as the Book of Constitution [“BoC”]].

13. As the Grand Lodge meets infrequently, the day-to-day operations of FNZ come under the purview of the Board of General Purposes [*“BoGP”*] whilst the *“assets”* of Freemasons New Zealand are vested in the Trustees of Grand Lodge [*“GL Trustees”*] as provided for under **The Grand Lodge of Freemasons of New Zealand Trustees Act 1903** [*“1903 Act”*]. The ***FNZ Existing Governance Map*** outlines the relationships within the current hierarchy of governance for FNZ.
14. Rule 221 of the BoC prescribes the membership of the BoGP of eight Freemasons, as follows:
- The Grand Master [*“GM”*];
 - The President of the BoGP;
 - The Deputy Grand Master [*“Dep GM”*];
 - The Grand Registrar;
 - The Grand Treasurer; and
 - Three Appointees, one from each Division.
15. The three Divisional Appointees do not attain any rank by virtue of being members of the BoGP; the President of the BoGP is the Chair of the BoGP [Rule 224.b, BoC].
16. Rule 222 of the BoC outlines the general functions of the BoGP which can be summarised as *“the general care and regulation of all the affairs of Grand Lodge and shall take into account all matters concerning the Craft in New Zealand”* [Rule 222.a, BoC]. Except where specifically excluded to be dealt with by the Grand Lodge, the BoGP is the normal arbiter of matters requiring determination in order to maintain the peaceful and orderly operations of FNZ.
17. Rule 166 points out that *“Grand Lodge shall from time to time appoint up to six of its members who shall be resident in New Zealand, to be Trustees in terms of”* the 1903 Act; the 2022 Grand Communication appointed five Brethren to be the Trustees for the time being. The role of GL Trustee does not carry any rank nor does the Chair of the GL Trustees attain any special rank by virtue of being Chair of the GL Trustees – the Chair is elected by the GL Trustees.
18. The role of the GL Trustees is generally defined by Rule 167.c – *“The Trustees shall at all times regulate their own affairs upon such trusts and for such purposes and subject to such conditions as shall from time to time be directed by the”* BoGP; the 1903 Act is also an underlying ordinance for the GL Trustees to give effect to.

BOARD OF DIRECTORS

19. Without denigrating the individual members of the BoGP and the GL Trustees, having a BoGP of eight members and up to six GL Trustees is considered *“top heavy”* for FNZ in 2023 and going forward.
20. The Working Group considers that with a more refined governance structure (at BoGP and GL Trustees levels) and a more extensive use of strategic and project committees using resources currently available throughout the membership of FNZ, the mooted new structure will achieve better service delivery, better utilisation of FNZ’s own members’ expertise, experience, and knowledge, and result in a more cost-effective organisation. This does not mean per se that the need for specialist *“outside”* expertise will be eliminated but rather such expertise will be required only if FNZ does not have adequate resource available already on a volunteer basis within its membership.

21. There have been occasions in the not too distant past when there were differences between the BoGP and the GL Trustees – there were some cost implications to FNZ’s members in terms of legal opinions being obtained when it was uncertain that such were called for. Also, there were some misunderstandings as to the respective roles and this added to the tension between the BoGP and the GL Trustees, to the detriment of the smooth administration of the affairs of FNZ.
22. In order to eliminate such instances occurring again and to provide the opportunity for the best persons to be appointed from within a reducing pool, a Board of Directors [*“Directors”*] comprising seven members (including the GM and the Dep GM ex officio) is proposed to replace the BoGP; further, it is proposed that those seven Board members also become the GL Trustees, thereby reducing the *“second tier”* governance structure from a maximum of 14 members to a maximum of seven.
23. The roles of the Directors and the GL Trustees are separate and distinct; however, there is no reason per se why the same individuals cannot fulfil both roles – on occasion, the seven members will meet to address their role as GL Trustees but on the most part, their main commitment (timewise) will be as Directors. Essentially the roles are seen as complementary rather than as conflicting, and reducing the total number involved should mean that FNZ can achieve the best persons for the roles.
24. Both the GM and the Dep GM will be *“full members”* of the Directors and GL Trustees but neither will be eligible for chairing the respective teams; this should ensure that the GM in particular, whilst being party to decisions taken by the Directors and by the GL Trustees, will not have chairmanship leadership roles in either.
25. It is expected however that the GM will retain the primary leadership of FNZ and thus be the principal *“public voice”* for FNZ but each of the Board of Directors and the GL Trustees will have separate Chairs. As these roles are operational and statutory vis-à-vis Masonic ceremonial, neither Chair will attract specific Grand Lodge rank [cf, President of the BoP].
26. In light of his *“public relations”* role (both internally and externally), the GM needs to be a full member so that he can correctly represent the decisions and views of the Directors in particular, although it is expected that the respective Chairs will also be required to communicate with the members, as the current President of the BoGP and the Chair of the GL Trustees may do from time to time. This means that the GM is more than the titular head of the organisation – he must take responsibility for being part of the decision-making processes and is not there merely *“to shake hands and kiss babies”* as is occasionally suggested.
27. As part of his interview for the role of GM, the applicant is expected to provide a plan for his term as GM if selected and elected – it is therefore prudent and necessary for the GM to have an input as a Director to ensure that the Directors move to give effect to his plan for the term of his office.
28. To reinforce the distinct roles of the Directors and the GL Trustees, it is intended that one of the Directors will be elected as its Chair whilst the GL Trustees will elect its own Chair who cannot also be the Chair of the Directors. This is intended to reinforce that the two roles [Directors, GL Trustees] are distinct and separate and accordingly, the roles should have separate Chairs.

29. The normal term of office for the Directors and the GL Trustees is to be set at three years albeit with an opportunity of a second term – this provides for an element of continuity over time. The current members of the BoGP have a possible two term (six years) tenure whilst the GL Trustees presently have a nine-year limit. In each case currently, a BoGP member (other than the GM and the Dep GM) and a GL Trustee can obtain further terms after having had a clear break in membership thereon - in other words, the BoGP member can have a six-year period on the BoGP followed by say a three-year period off the BoGP and then be reappointed for a new term. The same applies for a GL Trustee after the completion of a nine-year term, under the current BoC provisions.
30. The suggested cap of six years is supported on the premise in that it affords a good period for a member to commit to the governance of the Craft whilst ensuring a reasonably regular “*rejuvenation*” of the Board/GL Trustee membership.
31. Provision should however be made for the one-off extension of term by one year should circumstances so dictate.
32. The initial period of the new Directors/GL Trustees will be provided for, to ensure that not all Directors/GL Trustees retire at the same time – it is expected that if the Working Group’s governance structure proposal is adopted, the new structure will come into effect on 1 April 2024, meaning an initial 19-month term for the Directors/GL Trustees.
33. As determined by lot amongst the new Directors/GL Trustees, two Directors/GL Trustees should retire in November 2025 whilst three will have to retire in November 2028 without any entitlement for an extension - the GM and the Dep GM will of course conclude their respective triennial terms in November 2025.
34. As a “*one off*” transitional arrangement, the two Directors/Trustees who would normally retire in November 2025 will have an option to carry on for two full terms plus the initial 19-month period – this should ensure that not all Directors/Trustees retire at the same time, thereby having an element of continuity of membership.
35. Subject to special provisions relating to the appointment of the Directors/GL Trustees for the April 2024-November 2025 period, the appointment of the Directors/GL Trustees will be addressed by the triennial Grand Communication, after calling for applications and undertaking interviews in the lead up to the triennial Grand Communication.
36. It is possible that say the GM at the end of his term as GM seeks to become an appointed Director/Trustee and if so appointed, that Brother could potentially have four terms as a Director/Trustee – one term as Dep GM, one as GM, and two as an appointed member. Conversely it is possible that a Brother who has been an appointed Director/Trustee could subsequently be the Dep GM and/or the GM and thus be an ex officio Director/Trustee.
37. The existing (s)election process for the GM is proposed to be continued with, whereby a committee comprising the GM and Past GMs [“*Grand Masters Selection Committee*” – Rule 156.b of the BoC] will interview and evaluate suitable candidates for the role of GM for the ensuing three-year term and forward its recommendation to the Directors before the election process is undertaken. In light of the potential impact of Rule 132.b of the BoC (where the Dep GM becomes the Acting GM in the instance that the GM is not able to fulfil his office), the Grand Masters Selection Committee and the selected nominee for GM for the ensuing term

should recommend the candidate for the office of Dep GM for the ensuing term, with the GM making the appointment in accordance with Rule 125.a of the BoC

38. In terms of the appointment of Directors/GL Trustees for the ensuing triennial term, a committee comprising the GM and the GM-elect along with other suitable personnel [*“Directors & Trustees Selection Committee”*] would carry out an assessment and interview process of the applicants before making a recommendation to the Grand Communication. Subject to not exceeding the prescribed term limit, a retiring Director/GL Trustee would be eligible for consideration for appointment but would of course be subject to the assessment and interview process.
39. In each instance, the appointee should be *“the best person for the job”* – this means that specific geographic representation is not supported, at the risk of compromising standards of the appointees.
40. Furthermore, in any one term, it may be that there is insufficient interest from suitably qualified Brethren for the roles, in which case, FNZ should look to inviting applications from non-Freemasons in order to achieve the requirement of appointing *“the best person”*. It is unlikely that FNZ would be not able to have suitable candidates within its membership, but provision should be made to cover that potential exigency.
41. It can be expected that in any one triennial term, a vacancy of a current Director/GL Trustee may occur through the death or resignation or other reason [such as poor health, for example]. A Directors & Trustees Selection Committee comprising the GM, Dep GM, and the Chair of the Directors would deal with the filling of the vacancy for the balance of the term.
42. In the event that the Chair of the Directors sparked the vacancy, then the Chair of the GL Trustees would become a member of the Directors & Trustees Selection Committee. Should a vacancy occur because of say the death of the GM or the Dep GM, then the provisions of Rule 132.b of the BoC (GM) or Rule 133 of the BoC (Dep GM) would apply.
43. The decision may be taken by the Directors and the GL Trustees to not fill a vacancy occurring within say six months of a triennial Grand Communication but that would be taken on its merits when considering the circumstances at that time.

COMMITTEES PROPOSAL

44. The Working Group considers that the utilisation of a series of committees of the Board of Directors will aid the effective performance of the Directors and should have the corollary of reducing the reliance upon consultants, so long as FNZ utilises the expertise and experience of current Freemasons who may be keen to be engaged on committees of the Board of Directors.
45. There should be three *“Board committees”* whose primary membership will be Directors only – there may be an occasional need to supplement that membership by using other Brethren, but this would more likely be obtained by having those Brethren providing advice to the Board committees vis-à-vis being actual members thereof.
46. The three Board committees proposed are:
 - a. Audit & Risk;
 - b. Nominations & Remuneration; and

c. Strategy.

47. Each Director would be a member of either the Audit & Risk Committee or the Nominations & Remuneration Committee [meaning that one committee would comprise three Directors and the other would comprise four members], with the Strategy Committee comprising all Directors.
48. The Chairs of the respective committees would be determined by the Board of Directors – it is expected that the Chair of the Board would not chair a particular committee, other than perhaps the Strategy committee. Such an arrangement will share the workload and hopefully ensure that no member is “overloaded” in terms of time nor responsibility commitments.
49. On the basis of responsibilities, the Chair of the Board would likely be appointed to the Nominations & Remuneration Committee as that provides the Board Chair with a direct relationship line to the Executive Director (as presently intituled).
50. **The Audit & Risk Committee** would be primarily involved with the financial reports of FNZ and charities when dealing with the auditors – the Finance Committee [a “*strategic committee*”] would have a direct liaison with the Audit & Risk Committee as a step in the completion of the budget and the finalisation of the annual financial statements, with the Audit & Risk Committee making the recommendations to the Directors. Negotiations with and appointment of the auditors would be the responsibility of the Audit & Risk Committee. It is likely that this committee would also be involved with determination of member-based levies [capitation fees], not so much the actual annual figure but more the process for determining the capitation fees, if this is still an appropriate source of income for FNZ.
51. **The Nominations & Remuneration Committee** will assume responsibility for staff matters, principally the employment of the Executive Director and the overall staff structure, as well as appointments to Grand Lodge offices [normally undertaken triennially] other than the GM and Dep GM. If the GL Trustees so determine, this Committee may be involved in the appointment of the independent members of the Charities Management Committee.
52. **The Strategy Committee** will be responsible for maintaining the focus on FNZ’s five-year strategic plan which should be a rolling review and annual extension instead of a set five-year plan. The rolling review/extension should ensure that the plan remains relevant to the changing needs of FNZ within the desired 100-year vision.
53. In order to deliver the rolling strategic plan, it is proposed that a series of strategic committees are formed as follows; this should enable Brethren with desired expertise and experience to contribute without expecting them to commit too much time.
54. The “*strategic committees*” will include a Director on each such committee although not as chair thereof – that membership provides a direct conduit between the committee and the Board of Directors.
55. The suggested strategic committee structure includes the following:
 - d. Commercial and Wealth (includes property and insurance) [includes the Grand Treasurer; Grand Registrar, and Grand Superintendent of Works];
 - e. Financial [includes the Grand Treasurer; Chief Operating Officer/Grand Secretary];
 - f. Membership and Growth; and

- g. Senior Leadership/Operational [includes the Divisional Grand Masters, Chief Operating Officer/Grand Secretary].
56. The **Commercial and Wealth Committee** will address the overall wealth creation responsibilities of FNZ, to ensure that *“the best bang for the buck”* is achieved from investments and landed interests whilst at the same time having an advisory role for Lodges and other Masonic entities [trusts, companies] when the Commercial and Wealth Committee is invited by the Lodges and other entities for such support.
57. The **Financial Committee** will be primarily responsible for the finances of the FNZ once the annual budget has been adopted by the Directors and for preparation of the necessary regular financial reports and the annual financial reports to be considered initially by the Directors.
58. The **Membership and Growth Committee** will focus on membership retention and growth matters, ensuring that these tie into and flow from the Strategy Committee when the Strategy Committee considers the programmes to achieve its rolling five-year strategic plan within the agreed 100-year vision.
59. The **Senior Leadership/Operational Committee** will focus on service delivery to the FNZ members flowing from the decisions of the Directors – this will cover Masonic ceremonial and pastoral issues as well as day-to-day Lodge matters and National Office support.
60. In order to provide a continuity of approach and to aid in more effective management of FNZ’s operations, there is merit in having the Executive Director as an ex officio member of each strategic committee – having said that, the Executive Director would not have a chairmanship role as it is important for that employee to focus on *“the big picture”* instead of micro-managing the various committees.
61. This reinforces the reason for appointing a Director as a member of each strategic committee and ensures the conduit role of the Director to the Board of Directors.
62. The Board of Directors would appoint the chairs of the committees; membership of these strategic committees is to be the most suitably qualified persons for the roles after invitations are extended to Brethren to participate in the respective committees.
63. The **“Charities Management Committee”** does not have a formal relationship with the Board of Directors but rather come under the purview of the GL Trustees. Unless there is an otherwise suitably qualified Trustee, the current practice of having the Dep GM as a member of The Freemasons Charity Management Committee should continue as it provides a direct conduit at a senior level between the Charities Management Committee and the GL Trustees. The chair of the Charities Management Committee should be the Grand Almoner.
64. In light of the changed workloads of the GL Trustees [also being Directors of FNZ], the administrative roles of The Potter Masonic Trust, The Lawson-Smith Trust, and The Hugh McDougall Rankin Education Trust would be undertaken by the Charities Management Committee (currently known as The Freemasons Charity Management Committee but with a name change proposed to recognise its greater range of interest).
65. The GL Trustees would retain responsibility for the investment and growth of the respective trusts’ assets and following annual operational budgets proposed by the Charities

Management Committee, the GL Trustees would approve the budget and receive reports from the Charities Management Committee from time to time as to progress against the budget.

66. Membership of the various strategic committees should, in the first instance, comprise suitable Brethren; however, it may be necessary from time to time to appoint non-Freemasons to a particular committee – as noted above, the same principle could of course apply to the Directors/GL Trustees in terms of having members who are not Freemasons.
67. The primary role of each strategic committee would be to provide advice to the Board of Directors which as the governance body would make determinations after considering the input from the respective committees. The **FNZ Proposed Governance Map** outlines the relationships between the Board of Directors and the committees within the proposed new hierarchy of governance for FNZ.
68. **“Operational”** officers such as the Grand Registrar, Grand Treasurer, Grand Superintendent of Works, etc are responsible for their respective areas of interest and would furnish reports, advice, and recommendations to the Directors, and would attend meetings of the Directors when and if required from time to time.
69. As each of the committees will have a chair other than the appointed Director, the governance relationship for the Director will be maintained as the Director will essentially be the conduit between the committee and the Board of Directors.
70. The Director will not be accountable for the activities of the committee – the chair will report to the Board of Directors, but the individual Director will be able to *“throw light”* on the committee chair’s report.
71. From time to time, the committee chair will attend a meeting of the Directors usually in order to provide clarification or verbal updates; however generally speaking, the Directors would be expected to work off the committee chair’s report with any assistance required from the Director who is a member of that committee.
72. From time to time, the Directors would appoint **“project committees”** which would focus on specific tasks, and these would likely have no Director membership – generally speaking, the project committees would have a set timetable within which to complete the allotted tasks. Some examples of project committees could include:
 - i. Technology
 - ii. Grand Installation
 - iii. Ceremonial Review [presently Rule 229 of the BoC]
 - iv. Operational Review
 - v. New & Young Masons Advisory Group
73. FNZ is presently establishing a **Technology Committee** and has announced its initial three members – the Committee will address further membership as needed.
74. The **Grand Installation Committee** has been established and is working through options for the triennial Communication and Grand Installation set down for Christchurch in November 2025. There will be an ongoing need for this project committee every triennial term; some membership will continue from term to term to afford an element of continuity and to ensure that *“we do not have to reinvent the wheel”* each triennial term.

75. The **Ceremonial Review Committee** is presently required under Rule 229 of the BoC but in light of the current activities of the All of Governance Review Working Group and of the Masonic Structure and Operations Review Working Group, the Ceremonial Review Committee has been “parked” pending the outcomes of those two Working Groups’ reviews.
76. The **Operational Review Committee** would continue to monitor the activities of FNZ from governance, structure, and management points of view. This committee could also provide input to the Board Strategy Committee when it reviews its rolling five-year strategy for FNZ.
77. As intimated at the 2022 Grand Installation, the GM is to establish a **“New & Young Masons Advisory Group”** which will provide the GM with alternative perspectives on matters affecting FNZ – this is to ensure that FNZ’s newer and younger members have an opportunity to provide input to the GM insofar as applicable FNZ activities may be concerned. This should provide an environment free of “*set in concrete*”, “*cringe*” views of some more senior members [senior in terms of time in the Craft and within the hierarchy of a Lodge and of Grand Lodge]. The membership of this Advisory Group will include Brethren who are young in terms of physical age as well as those who are young in terms of length of membership in Freemasonry.

LONG TERM VISION

78. The Working Group is looking to set in place a structure which will satisfy the needs of FNZ for the next 10 years (as per its Terms of Reference) – the structure will need to be robust enough to sustain the governance well beyond that albeit with occasional tweaks/fine tuning to meet the needs of FNZ when the structure is reviewed from time to time.
79. In its review, the Working Group has identified a 100-year vision for the growth of FNZ and as part of that vision, a goal of a net increase of membership of 1%pa should be supported. It would need to be accepted that in any one year, FNZ may achieve a higher net increase and likewise in another year, the increase may be less than 1% but the long-term vision needs to have a gradual and sustained increase, to ensure the continuing existence of FNZ.
80. That desired 1%pa growth should be a genuine long-term growth figure – the Working Group supports “*quality*” membership vis-à-vis “*quantity*” membership for the sustained growth of FNZ.
81. The FNZ five-year Strategic Plan should take into account the 100-year vision which is reliant upon a 1%pa net growth in membership in order to maintain the operations and ongoing development of FNZ in a positive vein.
82. Part of the long-term vision is the need for best utilisation of the FNZ’s resources along with those of the Lodges and other entities, for the benefit of all Freemasons, not just those within the locality where those resources are situated. The Directors/GL Trustees (along with all members of FNZ) have a responsibility to consider the best use of New Zealand’s “*Masonic money*” [whether in cash/investments or in landed interests] – the Directors/GL Trustees, Lodges, and other entities are merely custodians of those assets on behalf all members of FNZ.

EXECUTIVE DIRECTOR

83. The BoGP is presently inviting applications for the role of Executive Director who is essentially the "*chief operating officer*" ["COO"] of FNZ; this Working Group considers that the role nomenclature should be altered but the actual definition will be dependent upon the appointee.
84. In the event that the appointee is a Freemason within FNZ, then the title should become Grand Secretary as the role can be expected to ultimately encompass the constitutional requirements of the Grand Secretary as well as the business requirements of the COO.
85. Timing of the appointment and the adoption of the title "Grand Secretary" as well as the constitutional requirements attached to that role may be on a phased basis with the COO role taking effect following the retirement of the incumbent Executive Director in November 2023, and the Grand Secretary role at some later stage following the expiration of the incumbent Grand Secretary's term consequent upon an appointment under Rule 137 of the BoC.
86. In the event that the current application process results in no suitable applicants from within FNZ, leaving the BoGP to advertise the position outside of FNZ, any such subsequent appointee may well not be a Freemason [nor male for that matter] in which case the role would be limited to that of the COO with the Grand Secretary role being filled by a suitable member of FNZ; the Grand Secretary role would be on a voluntary basis (akin to all other Grand Lodge Officer roles).

DIVISIONAL TRUSTEES

87. Presently there are GL Trustees and Lodge Trustees [without reference to other trusts and charitable trusts] and occasionally, especially when a Lodge is about to or has surrendered its Charter and has land and buildings to be disposed of, there can be a need for the Lodge Trustees to receive support in order to complete the disposal of the Lodge's landed interests.
88. On occasion, there may be only one Lodge Trustee able to act on behalf of the Lodge and thus there can be a "*one off*" need to supplement the Lodge Trustee numbers; to date, GL Trustees have fulfilled that role on an "*as and when required*" basis but in light of the future "dual" roles of GL Trustee and Director, it is more appropriate to appoint a number of suitably qualified Brethren in each Division to fulfil that role.
89. The panels of Divisional Trustees would be appointed by the GL Trustees but would only function when required to supplement a Lodge's existing Trustees after a request from the Lodge (or perhaps by the Divisional Grand Master as part of his consideration of a Lodge's Scheme of Distribution prior to surrendering its Charter). Further, Divisional Trustees may be used at the request of the GL Trustees to determine issues relating to the Book of Constitution and its inherent Rules 117, 118, and 119.
90. The Divisional Trustees may also have a role to play in lieu of the Divisional Grand Master (or his nominee) under Collected Ruling 56 when dealing with the establishment of a charitable trust by a lodge or group of lodges.
91. There may also be an opportunity to assist Lodges where a Lodge Trustee is also a GL Trustee, where separation of responsibility becomes necessary and there is insufficient resource within the Lodge.

TRUSTS AND COMPANIES

92. Many Lodges and Districts have interests in trusts (often charitable trusts) and limited liability companies, and it appears prima facie that some have been established without complying with the provisions of the BoC and/or the Collected Rulings [“CR”] of the BoGP. Even where the necessary processes have been followed and approvals gained, those trusts and/or companies do not always meet the operating requirements such as providing annual reports and annual financial statements to FNZ.
93. There needs to be a formal legal relationship between the trusts/companies and FNZ [GL Trustees] so that FNZ knows that these trusts/companies are not only complying with the BoC and CR but also with “*the laws of the land*”. At the end of the day, if a Lodge/trust/company is found to be in breach of laws, then it reflects on all Freemasons in New Zealand, not just the Lodge/trust/company at fault.
94. The need for formal relationships is not to do with control nor capture of assets by “Grand Lodge” but rather to do with acting as a good citizen when dealing with say local, regional, or national government. The provision of financial information also assists FNZ in identifying what commitment is being made by FNZ (through its Lodges/trusts/companies) to the communities the FNZ Brethren live in and serve.
95. Freemasonry in New Zealand is a significant contributor to the community of New Zealand whether locally, regionally, or nationally, but FNZ does not have an accurate record of the number of “masonic” trusts operating in New Zealand, nor of the contribution made annually by those trusts to the communities.
96. CR 56.b.v requires inter alia that charitable trusts must forward copies of the annual reports and annual accounts to the Grand Secretary; CR 56 should not however be limited to “charitable” trusts but should also cover “ordinary” trusts and limited liability companies set up by lodges or by trusts established by lodges, by referring to “*Other Masonic legal entities and persons*” [“OMLEP”] which is to be included within the Definitions (Rule 2) of the BoC. By way of explanation, a trust is a “*legal entity*” whilst a company is a “*legal person*”.
97. This then should mean that a central register of OMLEP can be set up and maintained, for the benefit of all Freemasons without restricting the legitimately established OMLEP – the information sought by FNZ as part of the central register and other reports would not be onerous on lodges nor OMLEP as each is presently required to complete annual financial statements and, in the main, income tax returns, so sending a copy of the financial statements to the Grand Secretary is a simple additional step requiring little extra administration by the Lodge or the OMLEP.
98. The Working Party considers that the first portion of CR 56.b should also be amended – it presently reads “*As a guide to the Board’s requirements the constitution, rules or trust deed of the Charitable Trust must ...*” but it should be condensed to “*The Board requires that the constitution, rules or trust deed of the Other Masonic legal entity or person must ...*” to reinforce the need for compliance to CR 56 as a mandatory requirement vis-à-vis a discretionary option.

99. There will be a need for consequential amendments to be made to CR 56 if the principle of this Ruling applying to OMLEP is supported, to encompass not only charitable trusts but all options coming under the proposed definition of OMLEP in Rule 2 of the BoC.
100. At the moment, there appears to be limited opportunities available to the BoGP or the GL Trustees to require compliance by OMLEP to the provisions of the BoC and/or the CR; whilst it is always best to achieve the desired outcome by encouragement of the parties to comply with the stated provisions ("*the carrot*" approach), there is no reason prima facie that the provisions of say Rule 239 [Masonic Offences] should not apply to OMLEP ("*the stick*" approach) if lodges or OMLEP choose to deliberately ignore compliance with the provisions of the BoC and/or the CR.
101. The use of Rule 239 is arguably already available in that FNZ could initiate a complaint against a lodge or lodges and against those lodges' trustees in order to gain some traction in getting the OMLEP to "*play ball*" but if the BoC and/or the CR were more specific in terms of enforceable options directly against the OMLEP, then that gives FNZ a stronger hand in trying to achieve positive compliance with the BoC and the CR.
102. Again, it is emphasised that the previous paragraph is to ensure compliance with the BoC and/or the CR – it is not about "*Grand Lodge*" nor FNZ wanting to take over the assets of the many OMLEP but rather to gain an understanding of the extent of investment in the New Zealand community by the FNZ in general, including the OMLEP.

INVESTMENT

103. A concern of all members of FNZ is the escalating movement in the capitation fee required to meet the operating costs of FNZ; there is an opportunity for all Lodges and OMLEP to contribute to the funds of FNZ without negatively impacting on the capitation fee.
104. If all Lodges and OMLEP collectively invested their available funds in the likes of Heartland Bank, then not only would a higher rate of interest be able to be negotiated and received by Lodges and OMLEP but also the level of commission paid by Heartland Bank to FNZ would increase, thereby reducing the need for capitation fees to increase. The opportunity already exists for Brethren to invest their own funds, family funds, or those of their business in the Freemasons Heartland Deposit Scheme, for the benefit not only of the individual and/or business investor but also FNZ.
105. Alternatively, Lodge and OMLEP funds could be invested in say a "*Lodges & OMLEP*" fund managed by the current appointed investment advisor (JB Were as at August 2023) which presently manages the funds of The Freemasons Charity, The Potter Masonic Trust and the other two trusts overseen by the GL Trustees – whilst interest rates were around the 1%-2% figure not that long ago, these trusts were able to achieve revenue in the order of 6%-8%. This potential higher return should be seen as a high priority for Lodges and OMLEP to pursue.
106. If Lodges and OMLEP invested in such a fund, the Lodges and OMLEP would retain "*ownership*" of their investment in the pool of funds and thus could withdraw their funds when needed [subject to the fund's terms and conditions], while at the same time receiving a better return on their funds than if the Lodges/OMLEP invested them on their own.

107. The additional benefit to FNZ would be that it would receive a commission on the revenue generated by the Lodges/OMLEP investments, so it would be a “win, win” situation for Lodges/OMLEP and FNZ – in other words, a benefit for all Freemasons in New Zealand, as the commission received by FNZ would offset the need for capitation fees.

POSITION DESCRIPTIONS

108. The Working Group has utilised the current Positions Descriptions for the BoGP members and for the GL Trustees as proposed by BoardWorks in the preparation of the Position Description for the new Directors and GL Trustees; the new Position Description proposed by the Working Group is appended to this report.

TRAINING

109. The Directors will be expected to complete the likes of the Institute of Directors “**Not for Profit Essential Governance**” programme which can be a one day “face-to-face” course or an online programme involving six modules:

- **Module 1: Governance and the law**
Learn why an understanding of governance and the law is critical for board members of NFP organisations.
- **Module 2: Key board roles**
Gain an understanding of the key board roles for a NFP organisation.
- **Module 3: Purpose and strategy**
Explore the responsibility of the board in determining a NFP’s organisation purpose, as well as the development and oversight of a future-focused strategy.
- **Module 4: Board and organisational culture**
Understand the relationship between culture and the impact this has on a NFP board and organisational performance.
- **Module 5: Boards and executives working together**
Understand the importance of holding management to account to ensure the NFP’s purpose is fulfilled.
- **Module 6: Effective compliance**
Gain an understanding of financial obligations and compliance and duties.

110. The role of the Directors is primarily governance and completion of the course will aid in the development of the Directors in that governance role. Directors who have already completed an appropriate Directors course would also be eligible for refreshers as required.

111. In addition, as is normal with commercial entities, Directors would be expected to have in place a professional development plan to maintain currency.

112. In terms of the GL Trustees’ role, the use of specialist legal advice to reinforce the focus of the GL Trustees as trustees is supported – this happened recently for the current GL Trustees and should be the primary training required for the incoming GL Trustees [such a seminar should occur each term].

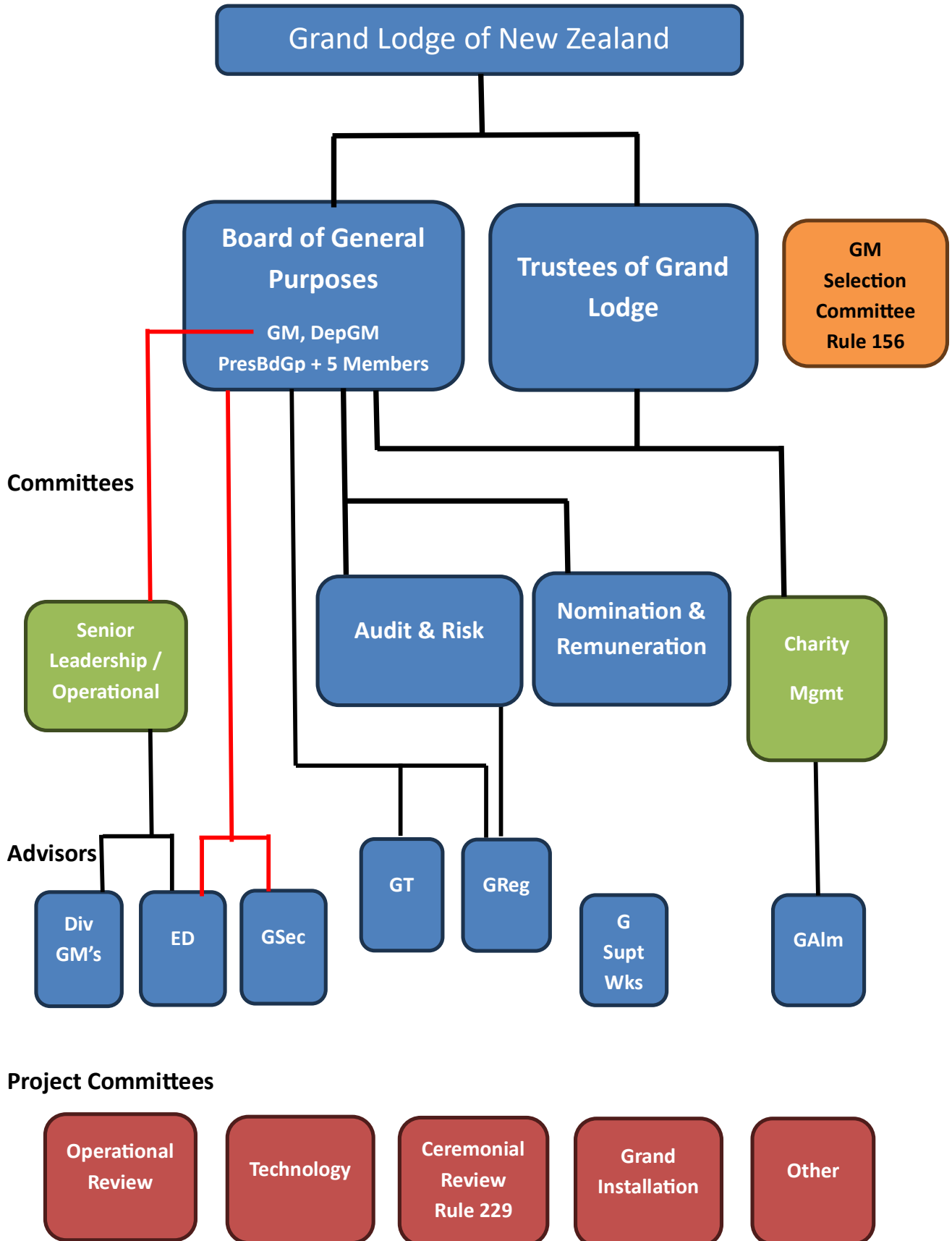
THE FREEMASONS CHARITY

113. The Working Group has undertaken a review of the current constitution of The Freemasons Charity [*"TFC"*] - the current constitution contains some conflicting and confusing provisions especially in relation to the respective roles of the Trustees [who happen to be the GL Trustees] and TFC Management Committee [*"TFCMC"*].
114. A change in nomenclature for the Management Committee [to *"the Charities Management Committee"*] is proposed to acknowledge the expanded administrative role to be undertaken by the Management Committee under the new FNZ governance structure, leaving the GL Trustees to focus on the investment of and growth in the capital funds of the various trusts under its purview, with the Charities Management Committee to deal with the distribution of the agreed annual sums within the approved budgets for each trust.
115. Recommended amendments to the constitution are to be considered by TFCMC before being referred to the BoGP and the GL Trustees. As the ultimate decision as to the constitution changes (if supported) rests with the GL Trustees, the updating of the constitution will not form part of the Working Group's report to Lodges and ultimately to the Special Communication in November 2023
116. The proposed amendments to the constitution of TFC clarify and reinforce the respective roles of the Trustees and TFCMC which in essence should be for the Trustees to deal with the investment of and growth in the capital funds, and TFCMC to address the administrative responsibilities associated with the disbursement of the annual income at the level agreed to by the Trustees.

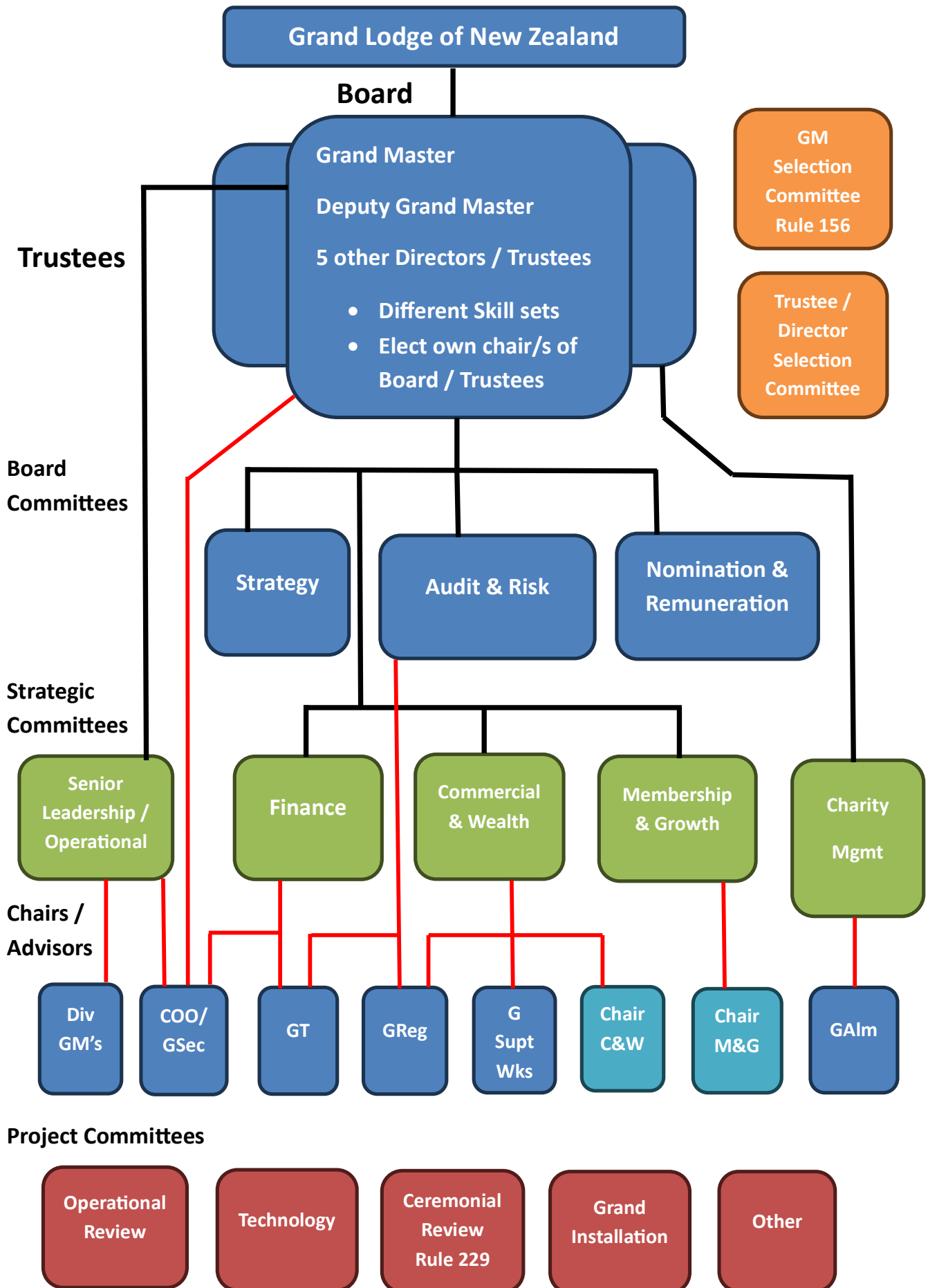
DISCIPLINARY ISSUES

117. The Board of Directors is to be responsible for the governance of FNZ – the determination of Masonic Differences and Offences pursuant to Rules 238 – 252 of the BoC is a Masonic judicial issue which falls outside the jurisdiction of the Directors and accordingly, the current proposals separately being pursued by the BoGP to amend Rules 238 – 252 of the BoC are supported.

Freemasons New Zealand Existing Governance Map



Freemasons New Zealand Proposed Governance Map





Grand Lodge of New Zealand

Director and Trustee position description

This document should be read in conjunction with the Freemasons New Zealand Governance Charter.

Adherence to the principles of Freemasonry

The role demands that the principles and tenets of Freemasons must be upheld to the highest standards. These expectations are laid out in the Freemasons Governance Charter.

Role

The role encompasses two distinct components – a member of the Board of Directors and a Trustee of Grand Lodge. The roles are separate and distinct but are complementary as in each case, the member is acting in the best interests of Freemasons New Zealand, its member Lodges, and the Brethren therein.

Role description - Director

The role is director of an unincorporated society - Freemasons New Zealand.

Directors have also have trusteeship obligations deriving from overarching authority across assets within the Grand Lodge of New Zealand and its associated entities.

In partnership with other directors, to govern, advance and protect the long-term interests of Freemasons New Zealand (the organisation).

To act honestly, in good faith and in the best interests of the organisation and in so doing, to support the organisation in fulfilling its mission and discharging its accountabilities.

Primary Director duties

In concert with the rest of the board, the director will:

- Employ and manage the Chief Executive/Grand Secretary
- Set the strategic direction and priorities for the organisation
- Set policy and management performance expectations
- Ensure compliance with all legal and regulatory requirements
- Fulfil the fiduciary obligations placed on the board
- Characterise and manage risks; and
- Monitor and evaluate organisational achievements.

Each director shall apply the level of skill and judgment that may reasonably be expected of a person with his or her knowledge and experience. Directors with special skill and knowledge are expected to apply that skill and knowledge to matters that come before the board.

Role description - Trustee

The role of a Grand Lodge Trustee is primarily that of a fiduciary. That focus has two main parts: first, the prudent management of assets and second, the return from those assets is used to create maximum value for stated beneficiaries. Prudent and responsible asset management is essential but ultimately secondary to benefit generation. Generation of benefit is the underlying purpose of trusteeship.

Additionally, trustees will

- advance and protect the long-term interests of Freemasons New Zealand (the organisation)
- act honestly, in good faith and in the best interests of the organisation and in so doing, to support the organisation in fulfilling its mission and discharging its accountabilities
- ensure compliance with all legal and regulatory requirements
- fulfil the fiduciary obligations placed on the board, including prudent management of assets
- maintain a focus on delivery of value to beneficiaries
- characterise and manage risks
- monitor and evaluate organisational achievements.
- regularly report on and be open and accountable for performance of the Trust.

Each trustee shall apply the level of skill and judgment that may reasonably be expected of a person with his knowledge and experience. Trustees with special skill and knowledge are expected to apply that skill and knowledge to matters that come before the board.

Asset management

The trustees are accountable for the effective management of assets within the following Trusts and compliance with their relevant legal frameworks:

- The Grand Lodge of Freemasons of New Zealand Trustees Act 1903
- The Freemasons Charity
- The Potter Masonic Trust
- The Hugh McDougall Rankin Education Trust
- The Lawson-Smith Trust.

Trustees Interrelationships within Freemasons New Zealand

In most cases, the trustees are subject to policy as decided from time by the Board of Directors. Aside from limited cases of special trusts, trustees must manage investments in manner determined by the Board of Directors. Therefore, decision making and behaviour must be consistent with the following.

- The direction laid out in the current Freemasons New Zealand strategic plan
- A mutually agreed Statement of Investment Policies and Objectives (SIPO)
- A good practice plan to guide a contemporary approach to charitable giving
- Policies as laid out in the Freemasons governance charter
- Direction and advice as given from time to time by the Board of Directors.

Personal attributes and skills

The director and trustee should ideally have the following abilities:

General

- To see the big picture and the implications and impact on issues in the broader sense
- To make sensible, astute recommendations and business decisions
- To interpret both factual and conceptual information and make sound judgements based on that information
- To contribute to the creation and not merely the preservation of stakeholder value; and to be able to distinguish between the separate but complementary roles of governance and management.
- A commitment to learning – being a better director
- A desire to serve others.
- Willingness to be accountable for performance in the role

Strategic

- To understand the position of the organisation within its communities and its relationship to key stakeholders
- To ensure that strategies and business plans are adopted that will deliver the organisation's vision and mission; and
- To look beyond the short-term and ensure that the board adopts a longer-term, stewardship approach.

The business of the Craft

- Knowledge of the principles, tenets, beliefs and aspirations of the Freemasonry
- An understanding of the role and obligations of a fiduciary
- An understanding of contemporary approaches to philanthropy
- An understanding of the challenges and contemporary trends within for purpose membership organisations.

Analytical

- To interpret financial statements and statistical information and the significance and meaning of appropriate performance indicators
- To question and probe information, assumptions and assertions in a quest for improved understanding and better decision-making; and
- To remain objective and measured under pressure.

Social

- To participate actively and harmoniously, respecting and valuing the contributions of others and contributing to effective teamwork
- To articulate a point of view in a coherent and persuasive manner without dominating the board's proceedings; and
- The strength of character to maintain an independent point of view when others disagree.

Enacting legal duties

- To fulfil their fiduciary duty to act lawfully and in the best interest of the Grand Lodge of New Zealand at all times regardless of personal position, circumstances or affiliation.
- To be familiar with all relevant Grand Lodge of New Zealand and Freemasons New Zealand legal and constitutional arrangements.

Strategic orientation

- To be future oriented, demonstrating vision and foresight.

Integrity and accountability

- To demonstrate high ethical standards and integrity in their personal and professional dealings and be willing to act on, and remain collectively accountable for, all Trust decisions and speak with one voice on all matters.

Informed and independent judgement

- To have the ability to provide wise, thoughtful counsel on a broad range of issues.

Financial literacy

- Directors/Trustees are jointly accountable for the financial and philanthropic performance of the Grand Lodge of New Zealand; therefore, all Directors/Trustees must be financially literate.

Industry and sector knowledge

- To bring or acquire a level of knowledge sufficient to contribute to the deliberations and considerations on behalf of the organisation and its owners.
- Specifically for the Grand Lodge of New Zealand, to have knowledge of the following:
 - Asset management and investment
 - Good practice governance
 - Contemporary issues and approaches in philanthropy

Participation

- To enhance the deliberations by fully preparing for meetings, actively engaging in value adding meeting dialogue and decision-making.

Conflict of interest

The director and trustee should be free of significant conflicts of interest and declare any matters that may impact on performance as a director and/or trustee.

Functional relationships

The directors and trustees as a whole will maintain relationships with:

- The Charities Management Committee
- The Chief Operating Officer [howsoever intituled]/Grand Secretary
- Key stakeholders as mutually agreed within the Freemasons communication plan

Appointment and tenure

The director/trustee is appointed for a period of three years with the option to stand for one further term of three years



The Grand Lodge
of Antient and Free and Accepted Masons of New Zealand
All of Governance Review Working Group
Terms of Reference

1. Background

- 1.1. The Grand Master (GM) and the Grand Lodge of New Zealand (GLNZ) have indicated that the governance of Freemasonry in New Zealand is in need of a review and have advised the Board of General Purposes (BoGP) and the Grand Lodge Trustees (GLT) as such.
- 1.2. The BoGP and the GLT have agreed to undertake an All of Governance Review (AGR) to include the BoGP, GLT and all Committees.
- 1.3. The BoGP and the GLT have agreed that the AGR will be independent of either entity and will operate under the sponsorship of the Grand Master and the Grand Lodge of New Zealand
- 1.4. The AGR will be followed by an Operational Review to ensure that this is aligned with the proposed Governance Structure
- 1.5. The review will adhere to and be guided by the following principles.
 - 1.5.1. The Governance Structure must support the Strategic Direction of GLNZ.
 - 1.5.2. It must be fit for purpose to meet the needs of the craft both now and into the future.
 - 1.5.3. It must recognise:
 - That the number of members has declined over the years which has meant the capitation fees have been dropping and the talent pool from which to draw on to fill Governance and Operational roles is getting smaller.
 - The cost of running the Governance structure needs to be taken into account but not at the expense of achieving good governance. It has to be proportionate to the size of the organisation and the entities and nature of the entities being governed (ie size and nature of assets, purpose and risks).
 - The need for greater communication, transparency and accountability from all aspects of governance to the members and that this is what is driving the review i.e. "This is about you the members".
- 1.6. That the new Governance Structure complies fully with the Book of Constitution, The Grand Lodge of Freemasons of New Zealand Trustees Act 1903, Trust Act 2019 and the Charities Act 2022 and is also fully aligned with all current legislation.

2. Purpose of the Working Group

- 2.1. Purpose of the Working Group is to review, evaluate and recommend to the GM and the GLNZ a governance model/structure that meets the Agreed Objective.
- 2.2. The Agreed Objective is for Freemasons New Zealand to have a “Fit for purpose Governance Structure that meet the needs of the members and the organisation both now and into the future. The Governance model/structure will extend to all entities governed by the Grand Lodge of New Zealand”.

3. Scope of the Review

- 3.1. The AGR is to cover all of Governance and will include the BoGP, GLT (and all entities governed by them) and all Committees. It is accepted that this must cover all aspects of governance including past, current, and future arrangements and structures across all entities governed by Grand Lodge and its officers.
- 3.2. The Review will cover;
 - 3.2.1. The strengths and weaknesses of the current Governance Model and board charter as well as the selection, appointment, induction and training of Board, Trustees, Committee members, and any GLNZ Officer with fiduciary duties and responsibilities (“Governors”).
 - 3.2.2. The cost of maintaining the current and any future Governance Structure
- 3.3. The Recommendation will cover:
 - 3.3.1. A review of Governance Options
 - 3.3.2. A preferred Governance Structure
 - 3.3.3. The skill sets required from the Governors and the development of Position Descriptions
 - 3.3.4. Training requirements to ensure those skills are maintained in line with best practise.
 - 3.3.5. An Induction programme for all incoming Governors
 - 3.3.6. The cost implications for the organisation of the current governance model and any recommended Governance model
 - 3.3.7. The constitutional implications, including a review and updating of the Book of Constitution and The Freemasons Charity Trust Deed.

4. Membership of the Working Group - selection and skills required

- 4.1. The make-up of the Working Group
 - 4.1.1. The selection will be made by the Grand Master with input on suggested appointees from the outgoing and incoming leadership team.
 - 4.1.2. Appointees must be prepared to make themselves available and be an active participant.
 - 4.1.3. The Working Group will have a maximum of 6 members.
- 4.2. Skill sets required from the Working Group
 - 4.2.1. Governance training on the principles of Governance through the Institute of Directors (IOD) or another equivalent formal training institute
 - 4.2.2. Governance experience must include the governance oversight of organisations outside of Freemasonry.
 - 4.2.3. Knowledge and experience of Governance in the not for profit and charitable sectors
 - 4.2.4. Be representative of the broad membership i.e. age, ethnicity etc
 - 4.2.5. Institutional knowledge of the organisation and entities governed.
 - 4.2.6. Critical/Analytical thinker grounded in common sense.

5. Meetings

5.1. The Working Group will hold meetings as appropriate to carry out its role, purpose and responsibilities. Minutes of meetings shall be recorded consistent with the standards and disclosure regime adopted by the Board.

6. Reporting

6.1. The Working Group will provide regular updates to the GM and GLNZ who in turn will update the President of the BoGP and the Chair of the GLT

6.2. The Working Group will provide interim draft reports on its progress to the GM, the Trustees and the BOGP on or before 31st May 2023 and 31st July 2023 with its final report and recommendation on or before 31st August 2023.

6.3. The GM and GLNZ will provide a final recommendation to the BoGP and the Chair of the GLT on or before the September Board meeting.

6.4. The GM and GLNZ will provide a final recommendation in the form of a remit to amend the Book of Constitution to the Special Grand Communication of the Grand Lodge of New Zealand to be held Saturday 18th November 2023

7. Authority

7.1. The Working Group is established and sponsored by the GM on behalf of the GLNZ.

7.2. The Working Group, in respect of matters agreed to be reviewed by the Working Group, shall have unfettered rights to discuss matters directly with those involved in the Governance and Management of all entities governed by Officers of Grand Lodge, both past and present and for the sake of clarity this shall extend to:

- The BoGP
- The Freemasons Charity
- The Potter Masonic Trust
- The Rankin Education Trust
- The Lawson-Smith Masonic Educational Trust
- All other Masonic entities in which Grand Lodge of New Zealand holds an equitable interest

7.3. The Working Group has no decision-making powers or financial delegations.

8. Resourcing

8.1. National Office will make available the Executive Director and Grand Secretary, and such other resources that are required to assist the group in undertaking the review. They will provide access to all information the Committee will require in undertaking this review.

8.2. The Committee will consult widely throughout the craft to ensure that all stakeholders have an opportunity to provide such input as the committee considers relevant to undertaking its review.

8.3. The Committee may approach other external providers or advisers, if it is of the view that it is necessary to undertake its review in a thorough and robust way. If there is a cost involved, The Chair of the committee will need to obtain the prior approval in writing from the BOGP.

9. Budget

9.1. There is a limited budget allocated for this review. Any expenditure to be incurred by the committee will need to obtain the prior approval in writing from the President of the Board of General Purposes.

10. Working Group – appointed members

RW Bro. Pat Cooney - Deputy Grand Master – Chair

RW Bro. Neville Patrick - Past Deputy Grand Master - Trustee Representative

VW Bro. Warwick Bell - Past District Grand Master - Board of General Purposes Representative

Bro. Andrew Cowie - Master Mason

Bro. Reece Prewett - Master Mason

Signed:

A handwritten signature in black ink, appearing to read 'J. D. Smith', written over a horizontal line.

Grand Master

Date: 24 February 2023