

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.

RECOMMENDATIONS FROM THE ALL OF GOVERNANCE REIVEW WORKING GROUP

- 5 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		

BOARD OF DIRECTORS

- 6 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.
- 7 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.
- 8 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.
- 9 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.
- 10 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.
- 11 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.
- 12 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].
- 13 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.

- 14 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.
- 15 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.
- 16 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.
- 17 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.
- 18 Provision should however be made for the one-off extension of term by one year should circumstances so dictate.
- 19 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.
- 20 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.
- 21 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.
- 22 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.

- 23 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.
- 24 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.
- 25 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.
- 26 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.
- 27 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.
- 28 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.
- 29 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

- 30 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.
- 31 The Board of Directors will be responsible for establishing and monitoring the necessary committees which will assist the Directors in their governance of FNZ.