

PRE-AGM ISSUES – FROM NAW PRESIDENT, MARK VON DADELSZEN

The NAW Committee is very mindful of feedback from members on the proposals to be considered by the AGM. We are trying to do the best for our organisation (see the concluding notes in section 7 below), but it is for the membership to make decisions, not the Committee. Personally, I do not have strong opinions of either of the issues covered in sections 4 and 5 of these notes, and I can happily live with the amended proposals as with the original proposals. A number of issues have been raised about these proposals to go before the AGM and the following information may assist members and clubs to consider how to vote and what to do:

1. AGM PROCEDURE – RULE CHANGES

At the AGM I propose to identify issues members wish to discuss about the proposed rules, and deal with each before the whole constitution is put to a vote. At present, the most controversial issue is clearly the proposed Rule 10.1(a)(ii), which provides that votes be exercised at General Meetings and that “Each financial Member that is a club shall be entitled to one vote for every 10 of its members at the previous 31 March as advised on payment of the club’s subscription (the total membership shall be divided by 10, and any remaining fraction shall be accorded a vote).” The proposal for the February SGM was “one vote for every 5” but the Committee has recommended a change, explained below. Counting proxies into the quorum, proposed in light of the experience of having no quorum at the February SGM, has also been raised as an issue (also see below), with Rule 7.3 proposed to read “The quorum for the Annual General Meeting shall be twenty members present in person or by proxy.” There may be other issues of which I’m currently unaware (and if there are others I’d appreciate it if I could be advised in advance of the AGM).

Amendments may be proposed at the AGM that do not depart from the substance of the notice of the AGM meeting, and the rule of thumb is that an amendment may restrict or reduce the effect of what is proposed in the notice of meeting but should not increase it. Therefore, as long as what is proposed at the AGM is within the scope of what has been notified we can have amending motions as long as they would not have the effect of increasing burdens on members. A simple illustration can be given with the subscription proposal – the subscription could be reduced but not increased – the principle being that members not attending can be assured that the subscription burden cannot be increased without them having the right to attend (even if they were happy with what was proposed and elected not to attend) but might be reduced.

2. NOTICE OF MEETING – RULE CHANGES

The adequacy of the notice of meeting with regard to the constitutional changes has been questioned, and my response is as follows:

- (a) *Creative Wood* is used as a means of giving notice to members, essentially to save the cost of a separate notice and separate mailing. This is permissible in terms of the rules.
- (b) The actual notice of the Annual General Meeting is on page 4 of the June 2006 *Creative Wood*.

- (c) The President's Annual Report on page 25 of the June 2006 issue of *Creative Wood* (which, in terms of the rules, itself is an item on the AGM agenda) clearly stated "Our constitutional rules are being overhauled, and we hope to have those adopted at the 2006 AGM, along with a changed membership subscription structure. Key changes include altering club voting rights (1 vote for every 10 members, noting that this is changed from the SGM proposal), clubs to pay membership subscriptions proportional to their size (but their NAW members paying a lower NAW subscription), providing for postal ballots, removing the magazine editor from the Committee, and making further changes to modernise the rules. The changes proposed are available from the Secretary or ..." via the website.
- (d) For those who cannot access a computer/website version of the draft constitution the notice of the Annual General Meeting makes it clear that they can ask Secretary Bruce Irvine for a copy.
- (e) These notices (especially in light of the extensive previous publicity that such issues have been under review since May 2005) comply with the requirements of the rules, and are a specific communication sent out to NAW members advising of this proposed change, and properly inform members.

3. PROXY VOTES AT AGM

The rules do not include provision for proxy forms to be prescribed or sent out to members, but a form that can be used is available on this website and also from NAW Secretary, Bruce Irvine. This can be used if it is of assistance, and members can give precise or general instructions to their proxy.

4. RULE CHANGES – CLUB VOTING

As noted above, Rule 10.1(a)(ii) is proposed to read that "Each financial Member that is a club shall be entitled to one vote for every 10 of its members at the previous 31 March as advised on payment of the club's subscription (the total membership shall be divided by 10, and any remaining fraction shall be accorded a vote)."

The change in the proposal for club voting from 1 vote for every 5 members to 1 vote for every 10 members (specifically mentioned in the President's Annual Report) will be of greater significance to club members than individual members. Several larger clubs have expressed concerns about this proposal, and the Committee will discuss this issue further on the morning before the AGM, to consider whether we should recommend reverting to the original proposal of 1 vote for every 5 members.

With the increase in the club subscription and recognising that the logic behind that move also meant that larger clubs should have greater voting power than smaller clubs, on reflection it seemed fair to have a sliding scale of voting strength applied. The original proposal was to have 1 vote for every 5 members (or \$25 of subscription), but when one worked out total club votes against total individual votes this can be argued to be inequitable. The 1 vote for every 10 members (\$50 of subscription) is more closely equivalent in terms of subscription to the voting power of a single member paying \$40 or \$45 (depending on whether that person is also a member of a club). We also need to be aware of the fact that we believe that, while of total NAW members some 70-75% also

belong to clubs, 20-25% do not also belong to a woodworking/woodturning club (and as a result they do not get to see demonstrators visiting clubs, and don't benefit from any votes exercised by a club).

An appropriate amendment to alter the proposal back to what was proposed for the SGM might be "That the phrase 'one vote for every 10' be replaced in proposed Rule 10.1(a)(ii) with the phrase 'one vote for every 5'."

5. RULE CHANGES – PROXY VOTING

Rule 7.3 is proposed to read "The quorum for the Annual General Meeting shall be twenty members present in person or by proxy," meaning that those who give proxies would count when determining whether there is a quorum at an Annual or Special General Meeting. One member has drawn attention to the risk that the Committee might not strive to get a good attendance in person at a General Meeting if the Committee knew it could rely on the proposed amended Rule (carefully recognising that the present Committee would not do so, but noting that it is irrelevant that the current officers would not do this). The argument is that the requirement to ensure 20 attendees is an incentive to talk to people about the NAW and to promote members' involvement, even if it's just to show up at a meeting (also noting that if people have been along to an AGM and participated in the discussion, they'll have an increased level of interest and understanding). The member's concern is to protect an organisation against future officers who might be incompetent or ill-intentioned, and the member's belief is that "the proposed change makes our constitution significantly weaker in that regard."

An appropriate amendment to remedy this might be "That the phrase 'or by proxy' be deleted from proposed Rule 7.3."

6. INSURANCE ISSUES

Several clubs have asked for information about the current public liability cover arranged through and at the cost of the NAW for the benefit of clubs. I asked our insurance broker when I met him in May for the following:

1. An improved explanation of the existing public liability cover for the NAW to send to member clubs and put on the NAW website.
2. Clarification of aspects of the cover.
3. Advice as to whether the public liability cover may extend to individual NAW members as well as club members (we have assumed that it does not, but the discussion threw up questions about this).
4. Advice on whether any benefit can be offered to clubs to insure their equipment, libraries, and other contents through the broker (if clubs could send me copies of their general insurance invoices we can advance this investigation).
5. Given the problems some individual members have in arranging home insurance where they sell some product (the vast majority of NAW members being hobby woodworkers, with probably very few make a living from their woodwork activities), whether some form of home and contents cover can be offered to NAW members.

We are looking for a “win-win” way forward so the NAW might be able to offer our club and individual members more for their subscriptions.

7. WHAT IS MOTIVATING THE NAW COMMITTEE

The NAW has stagnated in recent years and we are trying to revive it – both in terms of its activities, its rules and its subscription structure. What we are proposing is not perfect, but we are motivated to improve things – the members will tell us whether we have that right or wrong. This is my summary of what we are trying provide:

1. Direct benefits to individual members include receipt of a personal copy of the magazine, discounted entry to NAW events including Symposiums (but trying to get a differential on entry to NAW demonstrators to clubs has been abandoned as it caused much misunderstanding and ill-will, even if it was logical), and the general activities of the NAW including touring demonstrators. The intangible benefit is supporting woodworking activities in New Zealand.
2. Direct benefits to club members include receipt of a copy of the magazine, being offered touring demonstrators through the NAW (with the NAW underwriting the possible loss and co-ordinating arrangements), NAW support through liaison Committee members and regional activities, and public liability cover (which, alone, would cost each club around \$600 to arrange, and which we are looking at getting extended to other forms of cover). Again, the intangible benefit is supporting woodworking activities in New Zealand.
3. We are again touring demonstrators around the country, to offer to clubs and all their members opportunities to see good (usually professional) demonstrators who might not otherwise visit.
4. The magazine has been (successfully) revamped this year, with better presentation and wider content. If we can get more advertising we can reduce the net cost of production to the NAW and then either spend more money on other things (such as subsidising the cost of demonstrator tours), reduce the subscriptions, or expand the magazine. This is somewhat of a “chicken-and-egg” situation.
5. The club subscription issue is very much about more equitably spreading costs across those benefiting. It is inequitable, in my region for instance, that a club like Mahia with about 6 members pays the same as Hawke’s Bay with about 95 members, especially when demonstrators will not be sent to Mahia and the Hawke’s Bay club with its wider community activities and its own premises benefits far more from the public liability cover. Recognising the fair point that, in equity, NAW individual members should not have to pay not only direct to the NAW but also indirectly through their clubs, the subscription proposal would involve those individuals who are both NAW and members of an NAW club paying \$5 less to the NAW.
6. If we were setting up the whole structure afresh it would be more logical to have clubs as the NAW members, with all club members deemed to be members (associate or some such status) of the NAW. That was essentially what was proposed in April-May last year, but it was an idea that simply did not find favour generally.