
Notice of motion to amend LGNZ's Rules to comply with the Incorporated Societies Act 2022 and complete re-registration by April 2026.

Proposed by: National Council

Resolution: *Pursuant to Rule K4(b) of the Rules of the society, the Membership **approves** the amendments to the Rules of the society with effect on re-registration of the society under the Incorporated Societies Act 2022 (ISA) and approves National Council taking all steps necessary and desirable to re-register the society under the ISA with the new Rules.*

Background and context

The Incorporated Societies Act 2022 (ISA) takes effect in April 2026 and LGNZ needs to re-register by this date.

This legislation increases compliance requirements for Incorporated Societies, specifically concerning governance structures, powers and duties.

Given the robustness of the current LGNZ Rules, the changes we need to make are minimal and straightforward. We engaged Simpson Grierson to provide advice and draft the required amendments.

To change our Rules requires the support of two-thirds of members. Amendments to the Rules would take effect on re-registration.

Changes to comply with the ISA

Overview

Our Rules are currently robust and therefore generally compliant with the new ISA and standards. Therefore the amendments are straightforward with little to no change to how we operate.

We have summarised the amendments in Appendix 1.

Marked-up changes to our Rules can be viewed in Appendix 2, and a clean set of Rules has been provided in Appendix 3.

Appendix 4 outlines the requirements for 'officers' and the 'committee' under the 2022 Act. The National Council and certain senior managers are considered 'officers' under the new Act.

Appendix 1: Summary of changes to the LGNZ Rules

Appendix 1 - Explanation and overview of changes to LGNZ Rules for Members re Incorporated Societies Act 2022

Overview

1. In 2022, the Incorporated Societies Act 2022 (**2022 Act**) replaced the Incorporated Societies Act 1908 (**1908 Act**).
2. Local Government New Zealand (**LGNZ**) is an incorporated society that is registered under the 1908 Act. It must re-register under the 2022 Act in order to continue to exist.
3. To meet re-registration requirements, changes must be made to the existing rules of LGNZ (**Rules**).

Context for Amendments

4. Simpson Grierson was engaged to make the minimum changes necessary for re-registration under the 2022 Act (and any changes incidental to those minimum compliance changes).
5. An initial compliance assessment was undertaken by Simpson Grierson in late 2024. Simpson Grierson determined that the Rules were largely compliant with the 2022 Act, with only comparatively minor changes needing to be made for re-registration.
6. These changes are set out in the version of the Rules attached as Appendix 2.

Purpose of this Document

7. This document has been prepared by Simpson Grierson to provide a general overview of the proposed changes to the Rules, including explanations as to the effect (if any) of those changes on LGNZ's operations.
8. The proposed changes are classified according to the following categories:
 - (a) **Mandatory Changes:** Changes required for minimum compliance with the 2022 Act (in particular, changes required under section 26 of that Act) or where necessary to support the implementation of minimum requirements or for operability in alignment with the broader provisions of the 2022 Act.
 - (b) **Supporting Changes:** Changes that, although not required for minimum compliance with the 2022 Act:
 - (i) are incidental to a Mandatory Change(s);
 - (ii) reflect existing LGNZ policies and practices; or
 - (iii) reflect standard governance practices.
9. All changes are generally nominal and do not deviate from current practices of LGNZ, as Simpson Grierson understands them.
10. This document is intended to be read in conjunction with the version of the Rules attached as Appendix 2.

ACT REF	PROPOSED AMENDMENT	CATEGORY	RULES REF	RATIONALE AND DESCRIPTION OF CHANGE
Definitions and Interpretation				
N/A	Adding a definition for “Act”.	Mandatory	Rule A2	Incidental to mandatory changes.
N/A	Adding a definition for “Balance Date”.	Mandatory	Rule A2	Incidental to mandatory changes.
ss26(1)(g) and 113	Adding a definition for “Contact Person”.	Mandatory	Rule A2	This change is mandatory under the 2022 Act. See comments further below for description of contact person requirements under the 2022 Act.
N/A	Adding a definition for “Member”.	Mandatory	Rule A2	Incidental to mandatory changes that clarify the nature of membership. Amendment does not change the current definition and/or use of the term “member” in the current Rules.
N/A	Adding a definition for “Minister of Local Government”.	Supporting	Rule A2	This change has been made for clarity.
N/A	Amending the definition of “National Council” to refer to the equivalent term “committee” in the 2022 Act. Incidental to the above, we have also amended the language in Rules E30 through E40 to refer to “sub-committees” of the National Council rather than “committees” to avoid any duplication in terms and confusion as to status of these committees given the statutory term and meaning.	Mandatory	Rule A2; various	This change has been made to make it clear that the National Council is a “committee” for the purposes of the 2022 Act.
N/A	Amending the definition of “National Council Member” to refer to the equivalent term “officer” in the 2022 Act.	Mandatory	Rule A2	This change has been made to make it clear that a National Council Member is an “officer” for the purposes of the 2022 Act.

N/A	Amendments to ensure consistent capitalisation of “National Council Member” and other key terms.	Supporting	Various	This change has been made for clarity and consistent terminology use throughout the Rules.
N/A	Adding a definition for “Stats NZ”.	Supporting	Rule A2	<p>This change has been made for clarity as the name of this department has changed since the current version of the Rules was introduced and could, of course, change again.</p> <p>We have future-proofed the definition by adding the words “or any replacement of it” to the end of the definition.</p>
N/A	Correcting a section reference to the Local Government Act 2002.	Mandatory	Rule A3	<p>The reference to “section 2 of the Local Government Act 2002” is incorrect. We have updated it to refer to “section 5” which is the correct section.</p> <p>For reference, we note that section 2 was the correct reference under the Local Government Act 1972. We assume it was not updated when the 2002 Act came into force.</p>
N/A	Amending Rules A4 and A5 to refer to the “Census” by its full name and describe it with greater specificity.	Supporting	Rules A4 and A5	This change has been made for clarity.
N/A	Amending Rule A8 to state that the 2022 Act will prevail over the Rules if there are any inconsistencies between the two.	Mandatory	Rule A8	<p>This change has been made to make it clear that in the event of an inadvertent inconsistency between the Rules and the 2022 Act, the 2022 Act will prevail.</p> <p>It will not displace the effect of any provisions in the Rules that modify the application of the 2022 Act where such modification is permitted by the 2022 Act.</p>
N/A	Adding a Rule to state that the power of the National Council to impose any requirement includes a power to waive such requirement.	Supporting	Rule A9	This change has been made for clarity.

Operative Provisions				
N/A	Amending the leading wording of Rule B1 to link the term “objects” with the term “purposes” as they are defined in the 2022 Act.	Mandatory	Rule B1	This change has been made to make it clear that LGNZ’s objects are “purposes” for the purposes of the 2022 Act.
s18	Deleting Rule B2 (in relation to LGNZ’s powers) and replacing it with a generic powers provision that aligns with section 18 of the 2022 Act.	Mandatory	Rule B2	<p>This change has been included to reflect the legal position with respect to capacity and powers under the 2022 Act.</p> <p>Section 18(3) of the 2022 Act provides that a society’s constitution may contain a provision relating to the capacity, rights, powers, or privileges of the society only if the provision restricts the capacity of the society or those rights, powers, and privileges.</p> <p>The powers in the existing Rule B2 are expressed expansively rather than by limitation/restrictively and there is therefore a possibility that they conflict with the requirement in section 18(3) of the 2022 Act.</p> <p>We have therefore replaced Rule B2 with a standard capacity and powers provision that effectively refers to the powers as stated in the 2022 Act (see section 18(1) and (2)).</p> <p>This way, the Rules will not be seen as trying to enlarge LGNZ’s powers beyond what is permitted by statute.</p> <p>Note that this amendment will not limit the powers that LGNZ currently has under its Rules as the provision in section 18 is very broad.</p>
s26(1)(c)	Adding Rules to expressly state the requirement to obtain a Member’s consent before they join LGNZ.	Mandatory	Rules C1A, C2A, C9A, and C12	<p>The 2022 Act requires a society’s constitution to contain information about how a person becomes a member, including a requirement that a person must consent to be a member.</p> <p>We have therefore included the new Rules in Rule C as follows:</p> <ul style="list-style-type: none"> • Rule C1A: Consent requirement for Local Authority members (i.e. Member Authorities). • Rule C2A: Consent requirement for associate members. • Rule C9A: Consent requirement for life members.

<ul style="list-style-type: none"> Rule C12: Catch-all consent requirement for any Local Authority that becomes a Member under the existing Rule C10 and is not required to pay the annual subscription in their first year of membership. <p>Example: If a new Local Authority is formed pursuant to the reorganisation provisions of the Local Government Act 2002 under a new entity, which entity was not previously a Member of LGNZ, then such Authority will need to provide its consent to becoming a Member of LGNZ. To the extent that LGNZ does not require that new Local Authority to pay an annual subscription in its first year of membership (which is the usual way that consent is indicated), that authority will need to provide its consent by other means. Rule C12 has been added to capture this scenario.</p> <p>The mechanism for providing consent differs for different categories of membership:</p> <ul style="list-style-type: none"> In the case of Member Authorities and associate members, consent will be deemed to be given on payment of the annual subscription. In the case of life members (who do not pay an annual subscription), consent must be given in writing (whether by electronic means or otherwise). In the case of Members that succeed to membership under Rule C10, consent will either be deemed to be given on the payment of amounts required under Rule C11 or in writing (depending on the circumstances and timing of their membership confirmation). 				
s26(1)(d)	Amending the provisions for termination of membership to capture life members as well as other classes of membership.	Mandatory	Rule C4	<p>The 2022 Act requires a society's constitution to contain information about how a person ceases to be a member of the society.</p> <p>The existing Rule C4 only captures Member Authorities and associate members. Amendments have therefore been made to capture life members as well.</p>
s26(1)(d)	Adding further standard scenarios where a person will cease to be a Member of the society.	Supporting	Rule C4A	<p>As noted above, the 2022 Act requires a society's constitution to contain information about how a person ceases to be a member of the society.</p>

While the current termination of membership provisions are technically compliant in that they do allow for Members to resign and for Members' membership to be terminated, they are very high-level, not overly specific, and do not capture all of the standard circumstances in which a Member's membership will automatically terminate (eg death).

We have therefore included some additional provisions to make it explicit that:

- membership will terminate on death or incapacitation (a very standard provision contained in most constitutions);
- associate membership will terminate if the associate member no longer meets the criteria or no longer has the characteristics of an associate member; and
- the National Council has the power to terminate membership where the Member has been involved in any conduct which brings LGNZ or the sector into disrepute.

These changes have been made primarily for clarity. Note that the existing Rule C5 already contains a broad discretion for the National Council to terminate membership for any reason. Accordingly, the proposed amendments do not introduce any new powers, rather they make some of the particular scenarios where this power might be used more explicit.

s26(1)(d)	Amending the provisions for termination of membership to capture life members as well as other classes of membership.	Mandatory	Rule C5	The existing Rule C5 (which allows the National Council to terminate a Member's membership for any reason) only extends to Member Authorities and associate members. We have amended this Rule so that it applies also to life members.
s26(1)(d)	Adding standard consequences for termination of membership/resignation.	Supporting	Rule C8	<p>The current Rules do not contain any consequences for Members whose membership is terminated.</p> <p>We have therefore included a standard provision to clarify what happens following resignation / termination of membership, namely that the Member will:</p> <ul style="list-style-type: none"> • no longer be entitled to the rights of a Member;

- be prevented from holding themselves out as a Member of LGNZ; and
- immediately return to LGNZ any property supplied or owned by LGNZ that is held by the Member at termination or resignation.

s26(1)(e)	Adding standard register of member provisions.	Mandatory	Rules C13 to C15	<p>The 2022 Act requires a society's constitution to contain the arrangements for keeping the society's register of members up to date. Operationally, LGNZ already keeps a register of members and complies with the requirements in the 2022 Act.</p> <p>We have simply included standard provisions to comply with the statutory requirement noted above and to clarify the information required to be kept in the register and the procedures for notifying updates to that information.</p>
s26(1)(f)(i)	Adding Rule E1C to expressly state the number of members that must or may be on the National Council at any one time.	Mandatory	Rule E1C	<p>The 2022 Act requires a society's constitution to contain information relating to the composition, roles, functions, powers, and procedures of the society's committee, including the number of members that must or may be on the committee at any one time.</p> <p>While Rule E1 technically lists all National Council Member roles, it does not state the number of National Council Members that must or may be on the National Council – i.e. it does not express either a minimum, maximum, or a range, as required by the 2022 Act.</p> <p>We have therefore included a new Rule E1C that stipulates that the National Council will be comprised of up to 19 Members plus any additional Members appointed pursuant to Rules E11A and E11B.</p>
s45	Amending Rule E2 to make it clear that only a person who holds office as an Elected Member is qualified to sit on the National Council.	Mandatory	Rule E2	<p>The 2022 Act requires that the committee of a society must comprise 3 or more officers and a majority of the officers on the committee must be made up of members of the society or representatives of bodies corporate that are members of the society.</p> <p>Although in practice, every National Council Member is an Elected Member, we have made this expressly clear in Rule E3 to underpin compliance with the above requirement.</p>

s26(1)(f)(ii)	Amending Rule E15 to expressly refer to Auckland Council.	Mandatory	Rule E15	<p>Auckland Council is neither a Zone nor a Sector Group but there are National Council appointment rights for it in Rule E1(g).</p> <p>We have therefore amended Rule E15 (relating to vacancies on the National Council) to expressly refer to Auckland Council and make it clear that in the event of a vacancy in an Auckland Council appointed role, Auckland Council has the ability to fill that vacancy.</p> <p>This amendment does not change current practice, it is purely clarificatory so as to reflect the requirement to record the manner of election or appointment of officers.</p>
ss62 to 73	Amending Rule E25 to refer to the conflict of interest rules in the 2022 Act.	Mandatory	Rules E25 E41 to E43, and G7	<p>The 2022 Act contains various rules relating to conflict of interest disclosures. These largely reflect the equivalent provisions that company directors are subject to under the Companies Act 1993.</p> <p>LGNZ already has internal procedures in place to deal with conflicts of interests of National Council Members that comply with the provisions of the 2022 Act.</p> <p>For alignment with the 2022 Act, however, we have included some of the core default provisions in the Rules. Specifically:</p> <ul style="list-style-type: none"> • Rule E25 has been amended to expressly state the circumstances in which a National Council Member will be excluded from deliberations/voting etc. on matters in which they are interested. • Rules E41 to E43 have been included to reflect the requirement to keep and maintain an interests register (i.e. a register recording all interest disclosures made by National Council Members). • Rule G7(c) has been included to reflect the requirement to call and hold a Special General Meeting to discuss / vote on any matters in which 50% or more of the National Council is interested. <p>As noted above, each of these amendments reflect minimum statutory requirements in the 2022 Act and are already given effect to in LGNZ's operational procedures. The Rules now simply reflect what happens in practice.</p>

s26(1)(f)(vii)	Adding Rule E28A to clarify the voting procedure for National Council meetings.	Mandatory	Rule E28A	<p>The 2022 Act requires a society's constitution to contain information relating to the composition, roles, functions, powers, and procedures of the society's committee, including the quorum and procedure for committee meetings, including voting procedures.</p> <p>While the quorum requirement is covered in large part by the provisions of Rule E, a new Rule E28A has been included to clarify how decisions of the National Council are made and approved – i.e. by a simple majority (over 50%) of National Council Members present and entitled to vote at the relevant meeting plus any casting vote of the Chair.</p>
N/A	Adding Rule E28B to ensure that decisions of the National Council or any of sub-committee of the National Council are not invalidated because of minor defects.	Supporting	Rule E29B	<p>While this is not a mandatory change, it is common practice for the constitutions of companies and incorporated societies to include a clause to this effect to ensure that minor procedural defects or irregularities do not invalidate decision-making.</p>
s26(1)(k)(i)	Amending Rule G1 to clarify the maximum interval between Annual General Meetings.	Mandatory	Rule G1	<p>The 2022 Act requires that a society's constitution must contain the arrangements and requirements for general meetings, including the intervals between annual general meetings.</p> <p>While LGNZ's current Rules provide that an Annual General Meeting must be held on or before the 31st day of July in each year, they do not specify the maximum interval that is permitted between each Annual General Meeting, meaning an Annual General Meeting could occur in January of one year and July of the next, thus breaching the rule in the 2022 Act that there can be no more than 15 months between Annual General Meetings.</p> <p>We have also added some minor wording at the end of Rule G1 to clarify that Members will need to be notified of Annual General Meetings in accordance with the Rules. This is a minor amendment made only for clarity.</p>
s26(1)(k)(ii)	Amending Rule G2 to include notice of interest disclosures in the business of the Annual General Meeting.	Mandatory	Rule G2(f)	<p>The 2022 Act requires that a society's constitution must contain the arrangements and requirements for general meetings, including the information that must be presented at general meetings.</p>

				The current Rule G2 captures most of the information that needs to be presented at Annual General Meetings under the 2022 Act (eg the annual report) but does not capture notice of interest disclosures.
N/A	Amending Rule G5 to clarify the process for calling Annual General Meetings.	Mandatory	Rule G5	This change has been made to clearly reflect the requirement to record the manner of calling General Meetings.
s26(1)(k)(iii)	Adding Rule G30 to expressly state when minutes are required to be kept for General Meetings.	Mandatory	Rule G30	<p>The 2022 Act requires that a society's constitution must contain the arrangements and requirements for general meetings, including when minutes are required to be kept.</p> <p>It is already standard practice for LGNZ to take minutes at all General Meetings. The addition of Rule G2 merely confirms this practice in writing.</p>
s26(1)(k)(v)	Adding Rules G31 and G32 to enable written resolutions to be passed in lieu of General Meetings.	Mandatory	Rules G31 and G32	<p>The 2022 Act requires a society's constitution to confirm whether and, if so, how written resolutions can be passed in lieu of a General Meeting. Rule G31 allows Member Authorities to pass a written resolution in lieu of a General Meeting where the resolution is in writing, and is agreed to (by post, email or other electronic means) by at least (or more than):</p> <ul style="list-style-type: none"> • 75% of the number of Member Authorities entitled to vote on the specific matter; and • 75% of the total voting pool that would be available on the matter if the resolution was put to a Special General Meeting at which all the Member Authorities were represented. <p>For clarity, we note that the number of votes a Member Authority is entitled to for the operation of Rule G31 is outlined in Rule H1 (this has not changed from the previous version of the Rules).</p> <p>A resolution under Rule G31 will lapse unless it is passed (in accordance with Rule G31) within a month of first being sent to Member Authorities.</p>
ss96 and 97	Adding indemnity and insurance provisions to enable the society to indemnify and insure	Mandatory	Rules J8 to J10	The 2022 Act provides that certain indemnities/insurance can only be given if expressly permitted under the constitution of the society.

	National Council Members against liability and costs as permitted under the 2022 Act.				LGNZ currently indemnifies and insures its National Council Members. We have therefore recorded these arrangements in general terms (allowing for future changes to the indemnity and insurance arrangements) at Rules J8 through J10.
s31	Adding Rule K5 to reflect the equivalent provision in the 2022 Act that allows for minor or technical amendments to the Rules to be passed by the Committee.	Supporting	Rule K5		<p>The 2022 Act allows for minor or technical amendments to a society's constitution to be passed by the committee without having to seek approval from the membership. These provisions in the 2022 Act apply irrespective of whether they are included in a society's constitution (ie they are not "opt-in" type provisions).</p> <p>We have therefore recorded a version of these provisions in the Rules for ease of reference and transparency. The clauses that have been included in the Rules do not expand LGNZ's powers beyond what the 2022 Act already allows.</p> <p>Note that the changes being proposed are for clarity only and do not expand the powers that the National Council already has in this regard by virtue of statute.</p>
s123	Replacing the existing Rules L1 through L2 with standard method of contracting provisions that reflect the method of contracting provisions in the 2022 Act and do not require execution by common seal.	Supporting	Rules and L2	L1	<p>This amendment has been proposed to simplify and streamline contracting and execution requirements and to align the provisions of the Rules with the default position as to method of contracting in the 2022 Act.</p> <p>The ability for LGNZ to use its common seal if it so wishes has been retained as an option in the Rules, but is not required.</p>
s26(1)(g)	Adding Rules L8A through L8B to address the contact person requirements in the 2022 Act.	Mandatory	Rules to L8C	L8A	<p>The 2022 Act requires a society's constitution to contain information relating to how the contact person or persons will be elected or appointed.</p> <p>Every society must, at all times, have at least one contact person (and may have up to a maximum of up to three contact persons).</p> <p>We have proposed standard provisions at Rules L8A through L8C to reflect the above requirements.</p>

					<p>To streamline existing processes, the Chief Executive has been nominated as LGNZ's contact person and in their absence, the Acting Chief Executive.</p> <p>We have also included an ability for the National Council to appoint additional contact persons, if for whatever reason such additional persons are needed in this role.</p> <p>This is a largely administrative amendment.</p>
s26(1)(l)	Amendments made to Rules L9 through L12 to ensure that the liquidation and removal provisions accord with the requirements in the 2022 Act.	Mandatory	Rules through L11	L9	<p>The 2022 Act requires a society's constitution to contain the nomination of a not-for-profit entity, or a class or description of not-for-profit entities, to which any surplus assets of the society should be distributed on a liquidation of the society or on, or to enable, the removal of the society from the Register of Incorporated Societies.</p> <p>Previously, surplus assets could be distributed to members of societies. This is no longer the case and is prohibited under the 2022 Act. This means that Local Authority members of LGNZ cannot receive a share of surplus assets on a winding up.</p> <p>Further, a Local Authority is unlikely to qualify as a not-for-profit entity under all required elements in the definition in section 5(3) of the 2022 Act, and therefore it is also not eligible to receive surplus assets on a winding up for that reason.</p> <p>Accordingly, we have amended the liquidation and winding up provisions to nominate a specific class of not-for-profit entity(ies) to receive surplus assets – being "not-for-profit entities in New Zealand which support the interests of Local Authorities and/or local communities".</p>
N/A	Adding standard transitional provisions.	Supporting	Rule M		<p>Standard transition provisions have been included for clarity and to ensure that the transition between the current Rules and the new Rules does not result in any unintended consequences or confusion as to the status of Members, Officers, etc. that were Members, Officers, etc. prior to re-registration.</p>
s26(1)(j)	Adding dispute resolution procedures that comply with the principles of natural justice.	Mandatory	Rule N		<p>The 2022 Act requires a society to contain procedures for resolving disputes, including providing for how a complaint may be made.</p>

Those procedures must comply with the principles of natural justice (i.e. procedural fairness).

If a society chooses to adopt the default dispute resolution provisions from Schedule 2 of the 2022 Act, this represents a “safe harbour” whereby those provisions will be assumed to comply with the requirements of the 2022 Act.

Given that LGNZ does not have existing dispute resolution procedures in its Rules, the default provisions from Schedule 2 of the 2022 Act have been adopted.

Appendix 2: LGNZ Rules - marked-up changes

[SG Mark-up: May 2025]

RULES

of

NEW ZEALAND LOCAL GOVERNMENT ASSOCIATION INCORPORATED

(TRADING AS *Local Government New Zealand or LGNZ*)

(adopted at the Annual General Meeting on
18 July 2001
and amended at the Special General Meeting
on 11 March 2005, and at the Annual
General Meeting on 27 July 2005,
28 July 2010, 15 July 2012, and Special
General Meeting on 13 March 2014, and
Annual General Meeting on 7 July 2019, and
Annual General Meeting on 17 July 2021, and
Annual General Meeting on [insert])

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Style Definition: TOC 1: Space Before: 0 pt, After: 0 pt,
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[SG Mark-up: May 2025]

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A NAME AND INTERPRETATION

A1. The name of the Society is the NEW ZEALAND LOCAL GOVERNMENT ASSOCIATION INCORPORATED (trading as "*Local Government New Zealand*" and referred to as *LGNZ* in these Rules).

A2. In these Rules unless the context requires a different interpretation:

'ACT' means the Incorporated Societies Act 2022 and any regulations made under that Act, in each case, as amended or replaced from time to time.

'ANNUAL GENERAL MEETING' means the Annual General Meeting of Member Authorities held in accordance with Part G.

'APPOINTED' means appointed to office whether by election or otherwise and "appointment" has a corresponding meaning.

'BALANCE DATE' means 31 March or such other date as agreed by the National Council from time to time.

'CHIEF EXECUTIVE' means the Chief Executive of *LGNZ* appointed under ~~R~~rule 11, and includes an Acting Chief Executive appointed under Rules 14 and 15 when acting during the absence of the Chief Executive or a vacancy in that office.

'CONTACT PERSON' has the meaning given to that term in the Act and, for the purposes of these Rules, means any person appointed as a Contact Person in accordance with Rule L8A.

[\[SG Mark-up: May 2025\]](#)

'ELECTED MEMBER' means an elected member of a Member Authority and includes –

- [\(a\)](#) A person holding office as Chairperson, Mayor, or Councillor of a Member Authority;
- [\(b\)](#) A person holding office as a member of a local board within the district of a Member Authority; and
- [\(c\)](#) A person holding office as a member of a community board within the district of a Member Authority.

'LOCAL AUTHORITY' means a Regional Council, Unitary Authority, or Territorial Authority, or any statutory body being the successor of such local authority, but does not include the Minister of Local Government.

[‘MEMBER’ means a Member Authority, an associate member \(admitted under Rule C2\), or a life member \(admitted under Rule C8\).](#)

'MEMBER AUTHORITY' means a Local Authority for the time being admitted to membership of LGNZ in accordance with Part C.

[‘MINISTER OF LOCAL GOVERNMENT’ means the Minister, as that term is defined in the Local Government Act 2002.](#)

'NATIONAL COUNCIL' means the governing body of LGNZ constituted in accordance

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with Part E, and is the “committee” for the purposes of the Act.

'NATIONAL COUNCIL MEMBER' means a member of the National Council elected, appointed or assuming office from time to time in accordance with Rule E1, and includes the President, and is an “officer” for the purposes of the Act.

'REGIONAL COUNCIL', 'UNITARY AUTHORITY' and 'TERRITORIAL AUTHORITY' have the same meaning as in the Local Government Act 2002, except that they do not include the Minister of Local Government.

'SECTOR GROUP' means a sector based grouping of Member Authorities as provided for in Part D.

'STATS NZ' means the Government department known as Stats NZ (Statistics New Zealand) or any replacement of it.

'TE MARUATA' means the committee named Te Maruata Roopu Whakahaere established in response to the remit passed at the 2008 Annual Conference and any committee in substitution for that committee.

'YEM COMMITTEE' means the Young Elected Committee, as currently provided for in the Terms of Reference dated January 2020, being a committee appointed by the Young Elected Members Network.

'YOUNG ELECTED MEMBERS NETWORK' means the network as provided for in the Terms of Reference for the YEM Committee

dated January 2020, being a network of Elected Members who were aged 40 years and under at the polling day of the most recent triennial local government election.

'ZONE' means a geographical grouping of Member Authorities as provided for in Part D.

- A3.** The definitions contained in Section ~~52~~ of the Local Government Act 2002, unless the context otherwise requires, apply to any term capitalised but not expressly defined in these Rules.
- A4.** Subject to Rule A5, for all purposes under these Rules, the population of a Member Authority is ~~its census~~ nighthe population as determined in the most recent New Zealand Census of Population and Dwellings run by Stats NZ (Census).
- A5.** On application by a Member Authority, the Annual General Meeting may by resolution determine that the population of the Member Authority for the purpose of one or more of these Rules is as determined by any ~~more recent~~ estimate issued by Stats NZ that is more recent than the most recent Census~~the Department of Statistics~~.
- A6.** Where any Rule provides that a person assumes office on a specified day, that person shall assume office at the commencement of that day —, that is, immediately after midnight of the preceding day, unless otherwise specified.
- A7.** Subject to Rule A6, where any matter or thing is required or authorised by these Rules to be done on or not later than a

| [SG Mark-up: May 2025]

specified date or day, that matter or thing may be done at any time up to midnight on that day, unless otherwise specified.

| A8. In the event of any inconsistency between these Rules and the Act, where such inconsistency is not permitted by the provisions of the Act, the provisions of the Act will prevail to the extent of the inconsistency.

| A9. In these Rules, a power of the National Council to impose any requirement includes a power to waive such requirement.

B OBJECTS AND POWERS

B1. The objects, referred to as “purposes” in the Act, of LGNZ are:

- (a) To promote the national interests of local government through the promotion of LGNZ’s vision as approved by the National Council from time to time;
- (b) To advocate on matters affecting the national interests of local government and the communities that it represents;
- (c) To constructively promote and facilitate regular dialogue with Government, Parliamentarians, and the agencies of Government on matters of national interest to local government with a view to enhancing and ensuring a long-term commitment to partnership between central and local government in New Zealand;
- (d) To provide full, accurate and timely information to Member Authorities and associate members on matters affecting local government and LGNZ;
- (e) To research, survey, and investigate those matters in which LGNZ has an interest or a responsibility on behalf of its Member Authorities;
- (f) To provide advice and to deliver education and training

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opportunities for Member Authorities and others on the role and practices of local government, sound governance and management practices, best practice operational matters, the laws affecting local government, and other matters relevant to local government;

- (g) To hold such conferences and forums as required for the advancement of its objects;
- (h) Generally to do all such other things as may be incidental or conducive to attaining any of the above objects.

B2. LGNZ shall have the following powers:

- (a) LGNZ shall have the statutory powers given to it under the Act and the powers of a natural person to carry out its activities and objects.
- (b) Nothing in these Rules authorises LGNZ to do anything which contravenes or is inconsistent with the Act, any regulations made under the Act, or any other legislation.
- (c) The powers in this Rule B2 must only be used to further the objects of LGNZ as set out in Rule B1.

For the purpose of carrying out all or any of its objects LGNZ has the following powers:

- ~~(a) To purchase, take on lease or exchange, hire or otherwise acquire any real or personal property and any rights or privileges which LGNZ thinks necessary or expedient;~~
- ~~(b) To fund its activities by subscriptions, fees, income, or payments from Member Authorities and associate members, sponsorships and other activities and to grant any rights and privileges to Member Authorities and associate members;~~
- ~~(bb) To engage in any activities that advance the objects of LGNZ including activities that raise money for that purpose;~~
- ~~(c) To borrow, raise or secure the payment of money (with or without security) in such manner as LGNZ, in its discretion, thinks fit;~~
- ~~(d) To invest, lend, advance and deal with the moneys of LGNZ in such a manner as LGNZ, in its discretion, thinks fit;~~
- ~~(e) To appoint, remunerate, remove or suspend any employee of LGNZ;~~
- ~~(f) To make, adopt, vary and publish rules dealing with any of the matters in the objects set out in Part B and take all steps that are~~

necessary or advisable for applying the Rules;

~~(g) To receive and take any gifts or donations of money or property for any of the objects of LGNZ whether subject to any special trusts or not, and whether as sole trustee or not, but the National Council may decline to accept any gift or donations or take over or hold any property which has annexed to it any condition or obligation not approved by the National Council;~~

~~(h) To make, draw, accept, discount and execute any promissory notes, bills of exchange, debentures or other negotiable instruments;~~

~~(i) To subscribe to, become a member of, or co-operate with, any other society whether incorporated or not whose objects are altogether or in part similar to those of LGNZ. To procure from and communicate to that society any information that is likely to advance the objects of LGNZ;~~

~~(j) To provide services for and assistance to any other society whether incorporated or not whose objects are in full or in part similar to those of LGNZ;~~

~~(jj) To provide services for and assistance to any member of LGNZ;~~

[SG Mark-up: May 2025]

- (k) ~~To acquire or subscribe for shares or other equity securities in any company or other incorporated body;~~
- (l) ~~To enter into any contract, make any arrangements or undertake any activity for the financial or other benefit of LGNZ;~~
- (m) ~~To prepare and implement a business plan;~~
- (n) ~~To do all other acts and things for the purpose of attaining any of the objects of LGNZ.~~

[SG Mark-up: May 2025]

C MEMBERSHIP

MEMBERS

C1. Subject to Rules C4 and C5 a Local Authority becomes a Member Authority upon payment of the annual subscription.

C1A. Every Local Authority seeking to join LGNZ must first provide its consent to becoming a Member Authority. A Local Authority shall be deemed to have given its consent to becoming a Member Authority on the date that it makes payment of the annual subscription in accordance with Rule C1 and completing any form of confirmation required by LGNZ (if any).

ASSOCIATE MEMBERS

C2. Subject to Rules C4 and C5 any other person or organisation that is approved as an associate member of LGNZ by the National Council, becomes an associate member of LGNZ on payment of the appropriate annual subscription.

C2A. Any other person or organisation that is approved under Rule C2 as an associate member must first consent to becoming an associate member before they will be recorded as a Member. An associate member shall be deemed to have given its consent to becoming an associate member on the date that it makes payment of the annual subscription in accordance with Rule C2.

C3. The National Council may from time to time by resolution:—

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- (a) Create amend or delete any category or categories of associate members; and
- (b) Determine the extent of the rights and privileges of associate members as members of *LGNZ* (which must not include voting rights as members of *LGNZ*).

C3A. Without limiting the categories of persons or organisations that may become associate members, the National Council may make provision for an associate membership category or categories for council organisations, council-controlled organisations, council-controlled trading organisations and exempted organisations (as those terms are defined in the Local Government Act 2002, but without the exclusions provided in section 6(4) of that Act).

TERMINATION OF MEMBERSHIP

C4. Any Member Authority or associate member or life member may resign from membership by giving to *LGNZ* notice in writing, and every notice, unless otherwise expressed, takes effect one month after the giving of that notice but does not in any case release the Member Authority or associate member or (if applicable) life member from payment of any subscription, fees or other payments owing to *LGNZ* at the time of resignation.

C4A. In addition to the circumstances in Rule C4 and Rule C5, a Member will also cease to be a Member in the following circumstances:

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- (a) if that Member is an individual, on their death or incapacitation;
- (b) if an associate member, the Member no longer has the characteristics that caused the National Council to admit them as a Member, as determined by the National Council in its absolute discretion and notified to the Member in writing; or
- (b) following a decision by the National Council (made in its absolute discretion) that the Member has been involved in any conduct which brings LGNZ or the sector in which LGNZ operates into disrepute.

- C5.** The National Council has the power, by resolution, to terminate, or suspend for any specified period, the membership of any Member Authority or associate member or life member for whatever reasons, in its discretion, it thinks fit.
- C6.** Any Member Authority or associate member whose membership has been terminated or suspended is entitled to table a motion before an Annual General Meeting seeking the revocation of the termination or suspension, and notwithstanding any provisions of these Rules to the contrary (including any procedural requirement for a seconder to a motion), the motion shall be put to that Annual General Meeting.

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C7. If any motion referred to in Rule C6 is passed, the termination or suspension shall be deemed to have no effect.

C8. A Member who resigns or whose membership is terminated under these Rules shall, on the effective date of such resignation or termination:

(a) cease to be entitled to any of the rights of a Member;

(b) cease to hold itself out as a Member of LGNZ; and

(c) immediately return to LGNZ any property (tangible or intangible) supplied or owned by LGNZ.

LIFE MEMBERSHIP

C8. Notwithstanding anything to the contrary in these Rules, the Annual General Meeting or a Special General Meeting may by resolution, upon the recommendation of the National Council, elect to life membership any person who has given outstanding service to LGNZ or to local government generally.

C9. A life member may attend any Annual General Meeting or Special General Meeting of LGNZ without paying a fee, and has such speaking rights as the Chair of the meeting allows but a life member is not entitled to exercise any other rights conferred by or under these Rules upon Member Authorities or associate members (including for the avoidance of doubt, any voting rights).

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C9A. Life members must provide their prior written consent to becoming life members of LGNZ, such consent to be provided in writing (whether by electronic means or otherwise) to the Chief Executive (in their capacity as Contact Person).

TRANSITIONAL MEMBERSHIP

C10. Notwithstanding anything to the contrary in these Rules but subject to Rule C11, any Local Authority, which pursuant to a final reorganisation scheme or other final scheme whether implemented under the Local Government Act 2002 or otherwise, succeeds to the functions of a ~~R~~egional ~~C~~ouncil, ~~U~~nitary ~~A~~uthority or ~~T~~erritorial ~~A~~uthority, any one or more of which were separately Member Authorities of LGNZ, becomes a Member Authority of LGNZ entitled to all the rights and privileges of that status.

C11. The National Council may require payment by a Local Authority whose predecessors were not all Member Authorities, of such additional sum as it considers necessary to fairly equate, in respect of the balance of the current financial year, with the subscription which would otherwise have been payable had the Local Authority been a Member Authority at the commencement of that financial year.

C12. Any Local Authority that succeeds to membership under Rule C10 must first consent to becoming a Member except to the extent that the legal form of its succession continues the membership of the original Member or Members through

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the succeeding Local Authority. Consent (if required) will be provided as follows:

- (a) if the Local Authority is required by the National Council to pay an additional sum under Rule C11, then that Local Authority shall be deemed to have given its consent to becoming a Member Authority on the date that it makes payment of that sum; or
- (b) if the Local Authority is not required by the National Council to pay an additional sum under Rule C11, then that Local Authority must provide its written consent (whether by electronic means or otherwise) to becoming a Member Authority to the Chief Executive (in their capacity as Contact Person) prior to its membership commencing.

REGISTER OF MEMBERS

C13. LGNZ will keep and maintain an up-to-date register of all Members of LGNZ.

C14. The register of Members will contain:

- (a) the name of each Member;
- (b) the last known contact details of each Member;
- (c) the date on which each person became a Member; and

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(d) any other information prescribed by regulations made under the Act, which, at the date of these Rules, includes:

(i) the name of each person who has ceased to be a Member of the society within the previous 7 years; and

(ii) the date on which each person ceased to be a member.

C15. A Member must provide prompt notice to the Chief Executive (in their capacity as Contact Person) of any change to the details contained in the register of Members against their register entry. The register of Members will be updated as soon as practicable after the Chief Executive (in their capacity as Contact Person) is made or otherwise becomes aware of changes to the information recorded in the register of Members.

D ZONES AND SECTOR GROUPS

ZONES

D1. There shall be six geographical groupings of Member Authorities to be known as Zones. Each Member Authority (except Auckland Council) shall belong to one Zone, and no Member Authority shall belong to more than one Zone.

D2. Subject to paragraph D5, the membership of the six Zones is as follows:

- (a) Zone One - All Member Authorities within the area bounded by the Northland Regional Council.
- (b) Zone Two - All Member Authorities within the area bounded by the Waikato and Bay of Plenty Regional Councils and the Gisborne District Council and those parts of the Waitomo and Taupo District Councils situated in any other Regions.
- (c) Zone Three - All Member Authorities within the area bounded by the Taranaki, Hawke's Bay, and Manawatu-Wanganui Regional Councils and that part of the Tararua District situated in the Wellington Region but excluding any parts of the Taupo and Waitomo District Councils.
- (d) Zone Four - All Member Authorities within the area

bounded by the Wellington Regional Council including that Council but excluding any part of the Tararua District.

- (e) Zone Five - All Member Authorities within the area bounded by the Canterbury and West Coast Regional Councils, the Tasman and Marlborough District Councils, the Nelson City Council, and the Chatham Islands Council but excluding any part of the Waitaki District.
- (f) Zone Six - All Member Authorities within the area bounded by the Otago and Southland Regional Councils and that part of the Waitaki District Council included in the Canterbury Region.

D3. For the purposes of Rule D2, membership of the six Zones is to be determined by the boundaries specified in Rule D2 even though all or any of the Local Authorities may be abolished or their boundaries altered by any final reorganisation scheme or other final scheme whether implemented under the Local Government Act 2002 or otherwise.

D4. In the event that the district of a Member Authority is or becomes located in more than one Zone, or if for any other reason it is unclear to which Zone a Member Authority belongs, the matter must be determined by resolution of the National Council.

- D5.** The National Council may redefine the membership of any Zone after consultation with all affected members. Upon making any change the National Council will notify all members of its decision and of the date on which it becomes effective.

ZONE FUNCTIONS

- D6.** In addition to making appointments to the National Council, Zones may:
- (a) Provide information and advice on issues and concerns affecting members to the National Council and the Chief Executive, and receive and disseminate information to their members; and
 - (b) Assist the National Council and the Chief Executive in dealing with national issues and in otherwise furthering the objects of *LGNZ*.

SECTOR GROUPS

- D7.** There shall be four sector based groupings of Member Authorities known as Sector Groups made up as follows:
- (a) Metropolitan Group - All territorial authorities and unitary authorities having populations of 90,000 or over;
 - (b) Provincial Group - All territorial authorities and unitary authorities having populations of 20,000 or over and less than 90,000;

- (c) Rural Group - All territorial authorities and unitary authorities having populations of less than 20,000; and
- (d) Regional Group - All regional councils and unitary authorities.

D8. Subject to Rule D9, each Member Authority, by virtue of its membership of *LGNZ* belongs to a Sector Group specified in Rule D7.

D9. Any Member Authority, may apply to the Chair of the Sector Group to which it would prefer to belong and may belong to a Sector Group different from that specified in Rule D7 if:

- (a) The Chair of the Sector Group to which it applies agrees in writing; and
- (b) The decision of the Chair is confirmed by National Council.

D10. For the purpose of making any appointment under paragraphs (c) or (d) or (e) of Rule E1:

- (a) No Member Authority may vote in respect of more than one Sector Group; and
- (b) A Member Authority which is a unitary authority may vote either as a territorial authority or as a member of the Regional Group but not both.

D11. For any purpose other than making an appointment under paragraphs (c) or (d) or (e) of Rule E1:

- (a) No member is bound to any Sector Group; and
- (b) Any Member Authority may attend meetings of any Sector Group and be treated, subject to the following paragraph (c), as a member of that Sector Group; and
- (c) Member Authorities who are described as belonging to a particular Sector Group in Rule D7 may determine from time to time whether other Member Authorities who attend meetings of their Sector Group have voting rights, either generally or in regard to any particular case.

SECTOR GROUP FUNCTIONS

D14. In addition to making appointments to the National Council, Sector Groups may:

- (a) Provide information and advice on issues and concerns affecting members to the National Council and the Chief Executive, and receive and disseminate information to their members; and
- (b) Assist the National Council and the Chief Executive in dealing with national issues and in otherwise furthering the objects of LGNZ.

ZONE AND SECTOR GROUP MEETINGS

- D15.** Each Zone and each Sector Group must comply with any directions of the National Council as to:
- (a) The making of appointments;
 - (b) The conduct of meetings; or
 - (c) The conduct of its affairs generally.
- D16.** Each Zone and each Sector Group must meet or conduct ballots at such time or times to enable appointments to the National Council to be made in accordance with these Rules.
- D17.** Subject to the preceding provisions of these Rules, each Zone and each Sector Group may conduct meetings at such times and places, and in such manner as it determines.
- D18.** No Zone or Sector Group meeting may be held unless LGNZ and all Member Authorities within the Zone or Sector Group concerned have been given not less than 5 working days' notice of the meeting, venue and the business to be considered.
- D19.** The President and Chief Executive (or their nominees) are entitled to be notified of, attend, and have speaking rights at all Zone and Sector Group meetings.
- D20.** A record must be kept of all Zone and Sector Group meetings and a copy of the record forwarded to LGNZ.

| [\[SG Mark-up: May 2025\]](#)

- D21.** Subject to any directions by the National Council, each Zone or Sector Group is responsible for determining the manner of administering and funding its activities but the cost of any services to be provided by *LGNZ* must first be agreed with the National Council.
- D22.** At all times each Zone and Sector Group must have a person designated as its Chair.

E NATIONAL COUNCIL

COMPOSITION OF NATIONAL COUNCIL

- E1.** The National Council of *LGNZ* consists of the President and:
- (a) The person for the time being holding office as the Chair of Te Maruata (or an alternate appointed in writing by that person);
 - (b) One person elected by each of Zones One, Two, Three, Four, Five and Six;
 - (c) Three persons appointed by the Metropolitan Group;
 - (i) at least one of whom is an ~~e~~Elected ~~m~~Member of a South Island Member Authority; and
 - (ii) none of whom is an Elected Member of Auckland Council or any of its local boards.
 - (d) Two persons elected by the Regional Group;
 - (e) One person elected by each of the Provincial and Rural Groups;
 - (f) The Mayor of Auckland (or an alternate member of the Auckland Council governing body appointed in writing by the Mayor);
 - (g) Two persons to represent Auckland as set out in Rule E1A; and

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- (h) One person appointed from the Young Elected Members Network.
- E1A.** The appointments referred to in Rule E1(g) must be:
 - (a) one person appointed by the Auckland Council, from members of the governing body (not being the Mayor, or the Mayor's alternate under Rule E1(f)); and
 - (b) one person appointed by Auckland Council local boards, from Elected Members of the local boards.
- E1B.** The appointment referred to in Rule E1(h) must be made:
 - (a) By resolution of the YEM Committee as soon as practicable after this Rule comes into effect; and thereafter
 - (b) After each triennial local government election by such process as the Young Elected Member Network determines that is compatible with the provisions of the Terms of Reference for the YEM Committee dated January 2020.
- E1C.** For the avoidance of doubt, the National Council will comprise, at all times:
 - (a) up to 19 persons who are the appointees from time to time under Rule E1; plus
 - (b) any National Council Member(s) appointed under Rules E11A or E11B),
each with the participation, voting, and other rights as set out in Rule E25.

QUALIFICATION AND VOTING

- E2.** ~~Every~~ Only a person who holds office as an Elected Member is qualified to be appointed to or assume office as a ~~member of the~~ National Council Member as the case may be.
- E3.** No Local Authority or any representative of a Local Authority is entitled to make an appointment or to vote in the making of appointments pursuant to Rule E1 unless the Local Authority is a Member Authority.
- E4.** Subject to the determination referred to in Rule E6, no Member Authority is entitled to exercise more than one vote for any candidate for appointment under Rules E1(c) or (d) or (e).
- E5.** Subject to these Rules, each Zone and each Sector Group is entitled to determine the manner in which its appointments will be made.

SECTOR GROUP APPOINTMENTS

- E6.** Appointments of National Council ~~Mm~~embers by Sector Groups must be made in the following manner:
- (a) Elections in each Sector Group must be held within eight weeks after the triennial local government elections are held;
 - (b) Elections are to be conducted under the supervision of the Chief Executive by way of secret ballot and may be carried out by postal vote or electronic voting;

- (c) Each Member Authority in a Sector Group has a single vote for the purpose of the elections;
- (d) If any matter arises in the conduct of the elections which is not expressly provided for in these Rules, the Chief Executive must determine the matter in his or her absolute discretion but may be guided by the provisions of the Local Electoral Act 2001;
- (e) As soon as practicable after the closing of voting the Chief Executive must declare the result of the election;
- (f) If, on any count, two or more candidates have an equal number of votes and one or more of them has to be excluded, the candidate or candidates to be excluded must be decided by the drawing of lots under a procedure supervised by the Chief Executive.

E7. Appointments of National Council ~~M~~members by Sector Groups are for a period of three years except where Rule E16 applies.

ZONE APPOINTMENTS

E8. Appointments of National Council ~~M~~members by Zones must be made in the following manner:

- (a) Elections in each Zone must be held within eight weeks after the

triennial local government
elections are held;

- (b) Elections are to be conducted under the supervision of the Chief Executive by way of secret ballot and may be carried out by postal vote or electronic voting;
- (c) Each Member Authority in a Zone has the votes allocated to it as determined under Rule H1;
- (d) If any matter arises in the conduct of the elections which is not expressly provided for in these Rules, the Chief Executive must determine the matter in his or her absolute discretion but may be guided by the provisions of the Local Electoral Act 2001;
- (e) As soon as practicable after the closing of voting the Chief Executive must declare the result of the election;
- (f) If, on any count, two or more candidates have an equal number of votes and one or more of them has to be excluded, the candidate or candidates to be excluded must be decided by the drawing of lots under a procedure supervised by the Chief Executive.

E9. Appointments of National Council
Members by Zones are for a period of
three years, except where Rule E16 applies.
Once notified, the persons appointed are
not able, while holding office on the

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National Council, to also hold appointment under Rules E1(c) to (e).

APPOINTMENTS GENERALLY

- E10.** Persons appointed to the National Council or who assume office as a member of National Council under Rules E1 to E9 assume office on the day that is eight weeks after the triennial local government elections are held, except that the person who assumes office as a member of National Council pursuant to Rule E1(a) assumes that office at such time that the Chair of Te Maruata is appointed at a hui organised by LGNZ for the purpose of Te Maruata appointment, and subject to Rules E12 to E17~~6~~, all such persons serve in office until their successors have assumed office.
- E11.** In the event that any appointment required to be made in terms of these Rules is not made, a vacancy shall be deemed to result. The vacancy must be filled by appointment by the National Council as soon as practicable.
- E11A.** From time to time, the National Council may appoint to the National Council any person whom the National Council believes will assist the National Council in its deliberations because of that person's training, qualifications or experience. Any such person is not required to be qualified to be a National Council ~~M~~member or an Elected Member. The National Council may discharge any such person from the National Council in like manner.

[SG Mark-up: May 2025]

E11B. From time to time, the National Council may appoint to the National Council any person whom the National Council believes will ensure diversity of representation on National Council. Any such person must be an Elected Member. The National Council may discharge any such person from the National Council in like manner.

E11C. Any person appointed under Rules E11A or E11B shall have full speaking rights but no voting rights at National Council meetings.

VACANCIES

E12. If any National Council Mmember (other than the President):

- (a) Resigns from the National Council by giving written notice to that effect to the Chief Executive; or
- (b) Subject to Rule E13, ceases to hold office as an Elected Member; or
- (c) Is elected to the office of President;

then that person's position as a National Council Mmember immediately becomes vacant.

E13. If a National Council Mmember ceases to hold office as an Elected Member by not standing for election, or failing to win election, at a -triennial local government election, the person continues to hold office as a National Council Mmember until his or her successor assumes office under Rule E10.

[SG Mark-up: May 2025]

- E14.** If any National Council ~~M~~member is absent for two consecutive meetings of the National Council, without leave of absence granted by, or an apology satisfactory to, the National Council, then that person's position may be declared vacant by the National Council.
- E15.** Subject to Rules E1 to E14, in the event of any position on the National Council (other than the office of the President or the position occupied by the Chair of Te Maruata) becoming vacant, the Chief Executive must immediately give written notice to all Member Authorities entitled to have appointed that member, and the relevant Zone or Sector Group or the Young Elected Members Network or Auckland Council as the case may be may appoint a replacement person to the vacant position. If within two months after the giving of such notice, the vacancy has not been filled, the National Council has the power to fill the vacancy by appointment.
- E15A.** In the event of the position on National Council occupied by the Chair of Te Maruata becoming vacant, that position will be filled by the Deputy Chair of Te Maruata until such time that a replacement Te Maruata Chair is elected.
- E16.** Any person appointed under Rule E15, or who assumes office under Rule E15A, holds office only for the unexpired portion of the term of office of that person's predecessor.
- E17.** The National Council may continue to act with a vacancy in its numbers, but if, and so long as, its numbers are reduced below a quorum, the continuing ~~members of the~~

[SG Mark-up: May 2025]

National Council Members may only act for the purposes of increasing the number of ~~members of the~~ National Council Members to a quorum or more or for exercising any powers under Part G vested in the National Council.

POWERS OF NATIONAL COUNCIL

- E18.** The National Council has and may exercise the sole control, discretion and governance of *LGNZ* subject only to any limitations imposed by these Rules or directions given by the Annual General Meeting or any Special General Meeting.

NATIONAL COUNCIL MEETINGS AND PROCEDURES

- E19.** Meetings of the National Council must be held in accordance with Rules E20 to E29.
- E20.** Meetings of the National Council must be held at the times and places as are fixed by the National Council, or as requisitioned by written notice to the Chief Executive signed by the President or any three National Council Mmembers.
- E21.** Subject to Rule E23, the Chief Executive must give each National Council Mmember at least 5 working days' notice of a meeting of the National Council and must, before each meeting, forward to each National Council Mmember details of the venue and business to be transacted at the meeting.
- E22.** Despite Rule E21, the National Council may deal with other business at the meeting only if a majority of the National Council agrees.

[SG Mark-up: May 2025]

- E23.** In circumstances in which the President or Chief Executive determine that business has arisen requiring urgent attention by the National Council, a meeting must be held on not less than 48 hours' notice being given by the Chief Executive, (or shorter notice if every ~~member of the~~ National Council Member agrees) and only the business notified may be transacted at that meeting.
- E24.** The President shall preside at all National Council meetings but if the President is absent, the meeting must appoint a Chair.
- E25.** Each National Council ~~Member~~ present at any meeting of the National Council is entitled to one vote, and in the event of an equality of votes, the Chair of the meeting is entitled to exercise a second or casting vote. Proxy voting is not permitted. For the avoidance of doubt, any National Council Member that is "interested" in a matter relating to LGNZ within the meaning of section 62 of the Act, shall not be entitled to vote at a meeting or partake in a decision of the National Council relating to that matter (and shall otherwise be subject to the restrictions in section 64(1) of the Act in respect of that matter), other than in the circumstances permitted by section 64(2) of the Act.
- E26.** At any meeting of the National Council, a quorum consists of:
- (a) half of the membership (President and members provided for in Rule E1) if the number of such members (including vacancies) is even; or

- (b) a majority of members (President and members provided for in Rule E1) if the number of such members (including vacancies) is odd.

E27. If a quorum is not present within one hour of the time fixed for a National Council meeting, the meeting shall lapse. If the meeting ceases to have a quorum for any period, no business may be conducted during that time.

E28. For the purposes of Rules E26 and E27, a quorum exists at a meeting when sufficient persons to make up the quorum are:

- (a) Assembled together at the place fixed for the meeting; or
- (b) Are linked by means of audio or audio and visual communication and can simultaneously hear each other; or
- (c) Any combination of paragraphs (a) and (b).

E28A. Questions arising at a meeting of the National Council must be decided by a simple majority of the National Council Members then in office and present and entitled to vote at such meeting, including any second or casting vote of the Chair.

E29. Subject to Rules E19 to E29A, the National Council may regulate its own procedures.

E29A. The National Council may pass a resolution without a meeting held in accordance with Rules E20-E29, but only if the resolution is assented to by not less than 75% of the

[SG Mark-up: May 2025]

~~members of the~~ National Council Members
then in office and entitled to vote.

E29B. No act or proceeding of the National Council, or of any sub-committee of the National Council, or any person acting as a National Council Member or officer shall be invalidated as a consequence of there being a vacancy in the membership of the National Council at the time of that act or proceeding or of the subsequent discovery that there was some defect in the entitlement of any person so acting to be a National Council Member or sub-committee member or office that they were incapable or being or had ceased to be a National Council Member or sub-committee member or officer.

NATIONAL COUNCIL SUB-COMMITTEES

- E30.** The National Council may appoint sub-committees for general or special purposes and may delegate any of its powers to such sub-committees except the powers in Rules C5, E11, E14, and E15.
- E31.** The National Council must appoint the Chair of each sub-committee who shall preside at all meetings of the sub-committee, but if that person is absent, the meeting must appoint a member of the sub-committee to preside at that meeting.
- E32.** From time to time, the National Council may appoint to any sub-committee appointed under Rule E30, any person whom the National Council believes will assist the sub-committee in its deliberations because of that person's training, qualifications or experience. Any

[SG Mark-up: May 2025]

such person is not required to be qualified to be a National Council ~~M~~member or an elected member. The National Council may discharge any such person from a sub-committee in like manner.

E33. Every sub-committee appointed under Rule E30 must report to the National Council, and its report must be adopted by the National Council before any action is taken in respect of the matter, unless the sub-committee has been appointed with specific authority to act, as set out in that sub-committee's terms of reference.

E34. The Chair of any sub-committee may arrange for the attendance of any person at a sub-committee meeting and that person has full speaking rights at that meeting. The President and the Chief Executive have the right to be notified of, attend, and have speaking rights at any sub-committee meeting.

E35. Where there is urgent business to be transacted by any sub-committee, the Chair of that sub-committee or the Chief Executive may convene a meeting on such notice as can conveniently be given; otherwise sub-committee meetings must be convened at such times and on such notice as the sub-committee so determines.

E36. Each sub-committee member present at any meeting of a sub-committee is entitled to one vote, and in the event of an equality of votes, the Chair of the meeting is entitled to exercise a second or casting vote.

[SG Mark-up: May 2025]

- E37.** At any meeting of a sub-committee, a quorum exists when not less than one third of the total number of members of the sub-committee are present.
- E38.** If a quorum is not present within one hour of the time fixed for a sub-committee meeting, it shall lapse. If the meeting ceases to have a quorum for any period, no business may be conducted during that time.
- E39.** For the purposes of Rules E37 and E38 a quorum exists at a meeting when sufficient persons to make up the quorum are:
- (a) Assembled together at the place fixed for the meeting; or
 - (b) Are linked by means of audio or audio and visual communication and can simultaneously hear each other; or
 - (c) Any combination of paragraphs (a) and (b).
- E40.** Subject to these Rules, and any directions from the National Council each sub-committee may regulate its own procedures, including the ability to create working groups reporting to it on such issues as are necessary to advance the purposes of the sub-committee.

INTERESTS REGISTER

- E41.** The National Council must keep a register of any interest disclosures made by National Council Members under Rule E42.

E42. A National Council Member who is “interested” in a matter relating to LGNZ within the meaning of section 62 of the Act, must (except where section 72 of the Act applies to the interest) disclose details of the nature and extent of the interest (including any monetary value of the interest if it can be quantified):

(a) _____ to the National Council; and

(b) _____ in the interests register kept under Rule E41,

as soon as practicable after the National Council Member becomes aware that they are “interested” in that matter.

E43. For the purposes of section 62(2)(d) of the Act, the following are not “interests” when paid to an officer:

(a) _____ reasonable expenses legitimately incurred on behalf of LGNZ or while pursuing LGNZ’s purposes (whether the officer in question is a Member or not); and

(b) _____ salary, wages, or other payments for services on “arm’s-length terms” as defined in section 24(3) of the Act (whether the officer in question is a Member or not).

F PRESIDENT AND VICE PRESIDENT

ELECTION OF PRESIDENT

- F1.** The President must be elected by ballot of Member Authorities in accordance with these Rules at the Annual General Meeting in the year following the year in which triennial local government elections are held.
- F2.** Any person who is an Elected Member at the close of nominations for the role of President is qualified to be elected to the office of President and holds the office in accordance with these Rules.
- F3.** The election for President must be conducted in accordance with the Preferential Voting System set out in these Rules.
- F4.** For the purpose of the Preferential Voting System set out in these Rules,

ABSOLUTE MAJORITY OF VOTES, in relation to a candidate, is the number of votes which is greater than one-half of the total number of votes other than non-transferable and informal votes.

NON-TRANSFERABLE VOTE means a voting form on which no second or consecutive preference is recorded for an unexcluded candidate, and non-transferable has a corresponding meaning.

- F5.** Each Member Authority has the number of votes as set out in Rule H1. Each vote is transferable.

- F6.** Each Member Authority exercises its vote:
- (a) By marking on the voting form the number "1" in the box next to the name of the candidate who is the Member Authority's first preference; and
 - (b) By marking on the voting form further consecutive numbers in descending order of preference in any or all of the remaining boxes next to the names of the remaining candidates (for example, "2" for the Member Authority's second preference, and "3" for the Member Authority's third preference and so on).
- F7.** The number of first preferences recorded for each candidate must be counted and all informal voting forms must be rejected.
- F8.** The candidate who obtains an absolute majority of votes is elected.
- F9.** If no candidate has an absolute majority of votes, the candidate who has the fewest votes is to be excluded and each voting form counted to that candidate, unless non-transferable, must be counted to the unexcluded candidates next in the order of the Member Authority's preference.
- F10.** The process in Rule F9 must be repeated until one candidate has an absolute majority of votes.
- F11.** In this Preferential Voting System, a vote

must be set aside as informal if:

- (a) The figure "1" standing alone is not placed so as to indicate a first preference for a candidate; or
- (b) At the point at which (and not before) the same preference is set opposite the name of more than one candidate; or
- (c) Rule H20 applies; or
- (d) The voting form is unmarked or void for uncertainty.

F12. For the purpose of these Rules,

- (a) Every voting form not rejected as informal must be counted in every count until it becomes non-transferable when it must be rejected in all further counts; and
- (b) If a candidate is excluded, any voting form counted to the candidate is non-transferable if there is not indicated on it a consecutive preference for 1 or more unexcluded candidates.

F12A. For the avoidance of doubt, for the purposes of Rules F4 – F12, a voting form includes any electronic means of casting a vote.

F13. If, on any count, two or more candidates have an equal number of votes and one or more of them has to be excluded, the candidate or candidates to be excluded

must be decided by the drawing of lots under a procedure supervised by the Chief Executive.

F14. A person elected to the office of President in accordance with Rules F1 to F16 assumes office immediately upon the declaration of the closure of the Annual General Meeting at which that person is elected, and subject to Rules F20, and F27 to F32 holds office until a successor assumes office.

F15. No person may hold office as President for more than three consecutive terms, provided that any person who holds office as President by virtue of an appointment in accordance with Rules F27 to F32 is eligible for re-election at the end of the unexpired term of office of that person's predecessor. For the avoidance of doubt, a term under this Rule does not include any period of office held by a President by virtue of an appointment in accordance with Rules F27 to F32.

| **F16.** The President is a National Council ~~M~~member solely by right of holding the office of President. Where the person elected is already a National Council ~~M~~member, the vacancy that is created must be filled in accordance with Rules E12 to E17.

CONFIDENCE IN PRESIDENT

F17. A motion that the President must vacate office may be moved only at:

- (a) A Special General Meeting called in accordance with Rule G7, for

the purpose of moving that motion; or

- (b) An Annual General Meeting where the requirements of Rules F18 and F19 have been met.

F18. Member Authorities may petition the Chief Executive to include in the business of the Annual General Meeting a motion that the President must vacate office. Rules G9 to G11 apply to the petition. The Chief Executive must receive the petition at least 21 days before the date of the Annual General Meeting.

F19. If the requirements of Rule F18 have been met, the Chief Executive must ensure that the motion is included on the agenda of the Annual General Meeting. Notice of the motion must be included in the notice of business that must be given to each member authority under Rule G5.

F20. At the Special General Meeting or the Annual General Meeting, the motion that the President must vacate office will be carried if there is simple majority of votes cast in favour of the motion. On the declaration that the motion is carried:

- (a) The President is deemed to have resigned immediately on that declaration; and
- (b) Rules F28 and F29 apply as if there were a vacancy in the office of President.

ELECTION OF VICE-PRESIDENT

- F21.** The Vice-President must be elected by ballot of Member Authorities in accordance with these Rules at the Annual General Meeting in the year following the year in which triennial local government elections are held.
- F22.** Any person (other than the President) holding office as a National Council ~~M~~member at the time at which the election for Vice-President is held, is qualified to be elected to the office of Vice-President.
- F23.** The election for Vice-President must be conducted in accordance with the Preferential Voting System used for the election of the President as set out in Rules F4 to F13.
- F24.** A person elected as Vice-President in accordance with Rules F21 to F23 assumes office immediately upon the declaration of the closure of the Annual General Meeting at which that person is elected, and, subject to Rules F37 to F41, holds office until a successor assumes office.
- F25.** Subject to Rules E12 to E17 and F37 to F41, any person elected to the office of Vice-President continues to hold office as a National Council ~~M~~member representing the Zone or Sector Group by which that person was appointed.
- F26.** Any person may hold office as Vice-President for as many consecutive terms as that person may be elected to the National Council.

VACANCY IN THE OFFICE OF PRESIDENT

F27. If any person holding office as President:

- (a) Resigns from that office by giving written notice to that effect to the Chief Executive; or
- (b) Ceases to hold office as an elected member for any reason;

the office immediately becomes vacant except that a President who ceases to be an Elected Member by not standing for election, or failing to win election, at a triennial local government election continues to hold office as President as provided in Rule F14 until the new President assumes office under Rule F14.

F28. In the event of a vacancy occurring in the office of President within 24 months after the person assumed that office in terms of Rule F14,

- (a) Rule F34 applies; and
- (b) A ballot must be held, subject to Rule F30, as soon as practicable to elect an Elected Member to the vacant office of President.

F29. In the event of a vacancy occurring in the office of President in any other case, Rule F35 applies.

F30. All the provisions of Rules F1 to F16 apply, with any necessary modifications, to any ballot held under Rule F28, subject to the following:

- (a) The close of nominations is at a date and time nominated by the Chief Executive being not less than four weeks nor more than six weeks after the vacancy arises; and
- (b) Any person who is an Elected Member at the close of nominations is qualified to be elected to the office of President; and
- (c) No voting form is valid unless signed by the Mayor or Chairperson of the Member Authority, or in that person's absence by the Deputy Mayor or Deputy Chairperson, or in that person's absence by the chief executive provided that no person (other than the Mayor or Chairperson) may sign the voting paper unless authorised to do so by the Mayor or Chairperson or by a resolution of the Member Authority;
- (d) Completed voting forms must be returned to the Chief Executive not later than a date and time determined by the Chief Executive being not less than four weeks and not more than six weeks after the close of nominations; and
- (e) The person elected assumes office immediately on the declaration of the result of the election.

- F30A** For the avoidance of doubt, for the purposes of Rule F30, a voting form includes any electronic means of casting a vote.
- F31.** Where the filling of any vacancy in the office of President creates a vacancy on the National Council, that vacancy must be filled in accordance with Rules E12 to E17.
- F32.** Any person elected under Rule F28 holds office only for the unexpired portion of the term of office of that person's predecessor.

ACTING PRESIDENT

- F33.** The Vice-President is the Acting President for any period during which the President:
- (a) Is overseas; or
 - (b) Is unable to undertake the duties of office; or
 - (c) Is on leave approved by the National Council.
- F34.** In the event of a vacancy occurring in the office of President within 24 months after the person assumed that office in terms of Rule F14, the Vice-President is the Acting President until a ballot is held as set out in Rule F28 and a new President has assumed office in accordance with Rule F30(e).
- F35.** In the event of a vacancy occurring in the office of President in any other case, the Vice-President is the Acting President until a new President is elected in accordance with Rules F1 to F16.

- F36.** If there is, at the same time, a vacancy in the office of President and a vacancy in the office of Vice-President within 24 months of the President and Vice-President assuming office in terms of Rule F14 and Rule F24, the National Council must appoint a National Council ~~M~~member to be Acting President until a ballot is held as set out in Rule F28 and a new President has assumed office in accordance with Rule F30(e).
- F37.** No vacancy occurs on the National Council by reason of the Vice-President being the Acting President, or by reason of a National Council ~~M~~member being the Acting President in accordance with Rule F36.

VACANCY IN THE OFFICE OF VICE-PRESIDENT

- F37.** If any person holding office as Vice-President -
- (a) Resigns from the National Council or from the office of Vice-President by giving written notice to that effect to the Chief Executive; or
 - (b) Ceases to hold office as an elected member;
- the office immediately becomes vacant.
- F38.** In the event of a vacancy occurring in the office of Vice-President within 24 months after the person assumed that office in terms of Rule F24, a ballot must be held, subject to Rule F40, as soon as practicable

[SG Mark-up: May 2025]

to elect a National Council ~~M~~ember to the vacant office of Vice-President.

F39. In the event of a vacancy occurring in the office of Vice-President in any other case, the National Council must appoint a National Council ~~M~~ember to the vacant office of Vice-President.

F40. Rule F23 applies, to any ballot held under Rule F38, subject to the following:

- (a) The close of nominations is at a date and time nominated by the Chief Executive being not less than four weeks nor more than six weeks after the vacancy arises;
- (b) Completed voting forms must be returned to the Chief Executive not later than a date and time determined by the Chief Executive being not less than four weeks and not more than six weeks after the close of nominations; and
- (c) No voting form is valid unless signed by the Mayor or Chairperson of the Member Authority, or in that person's absence by the Deputy Mayor or Deputy Chairperson, or in that person's absence by the chief executive provided that no person (other than the Mayor or Chairperson) may sign the voting paper unless authorised to do so by the Mayor or Chairperson or by a resolution of the Member Authority; and

- (d) The person elected assumes office immediately on the declaration of the result of the election.

F40A. For the avoidance of doubt, for the purpose of Rule F40, a voting form includes any electronic means of casting a vote.

F41. Any person elected under Rule F38 or appointed under Rule F39 holds office only for the unexpired portion of the term of office of that person's predecessor.

G ANNUAL AND SPECIAL GENERAL MEETINGS

ANNUAL GENERAL MEETING

- G1.** An Annual General Meeting of Member Authorities must be held on or before the 31st day of July in each year (not later than 15 months after the previous Annual General Meeting) at such time and place that is fixed by *LGNZ* and notified to Members in accordance with these Rules.
- G2.** The following business is to be conducted at the Annual General Meeting, but in such order as is determined by the National Council or the President:
- (a) President's Report and Annual Report;
 - (b) Financial Statements and Annual Statement of Accounts;
 - (c) Subject to Rule G3, remits or reports from Zones or Sector Groups or Member Authorities;
 - (ca) Fixing honoraria, if any, for the President, Vice-President, and National Council Mmembers;
 - (d) Date and venue of next Annual General Meeting and any future Special General Meetings that may have been determined by the National Council;
 - (e) Any notice or notices of motion to alter, add to, rescind or otherwise amend the Rules of *LGNZ*;

(f) [Notice of the disclosures, or types of disclosures, made under section 63 \(disclosure of interests\) of the Act and Rule E42 since the last Annual General Meeting \(including a brief summary of the matters, or types of matters, to which those disclosures relate\);](#)

[\(g\)](#) Any other business that the National Council or the Annual General Meeting resolves to be considered.

G3. Where any Zone or Sector Group or Member Authority wishes to bring any remit or report before the Annual General Meeting for discussion, the remit or report must be forwarded to the Chief Executive not less than two months before the date of the meeting; however the National Council has a discretion to accept late remits or reports if received less than two months before the date of the meeting.

G4. Remits, reports and other matters approved by the National Council for consideration at the Annual General Meeting must be placed on the meeting agenda.

G5. Not later than 10 working days before the date of the Annual General Meeting, notice of the [time and place of the meeting and the](#) business to be considered together with all reports and statements referred to in Rule G2 must be provided to each Member Authority.

[SG Mark-up: May 2025]

- G6.** A report of the proceedings of the Annual General Meeting must be provided to each Member Authority.

SPECIAL GENERAL MEETING

- G7.** A Special General Meeting of *LGNZ* to discuss any issue of relevance to Members may be called:

- (a) By the National Council under Rule G8; or
- (b) By the Chief Executive under Rule G12.

G7A. A Special General Meeting of *LGNZ* to discuss any matter of relevance to Members must be called if 50% or more of the National Council Members are prevented from voting on a matter because they are “interested” in that matter, as set out in Rule E25.

- G8.** The National Council may call a Special General Meeting of *LGNZ* at any time. However, any such Special General Meeting may only be held when notice of the meeting, the venue and the business to be considered has been given to each member authority at least five working days before the date of the meeting.

- G9.** Member Authorities may petition the Chief Executive to call a Special General Meeting of *LGNZ*. The petition must:
- (a) Subject to Rules G10 and H4, be signed by Member Authorities representing one third or more of the voting entitlement of all

Member Authorities as set out in Rule H1; and

- (b) State the issue or issues to be addressed at the Special General Meeting.

G10. No Member Authority may sign the petition unless it has passed a resolution to that effect. A copy of the resolution must be sent to the Chief Executive with the petition. The Member Authorities petitioning the Special General Meeting must be from more than one Sector Group and from more than one Zone.

G11. On receiving the petition, the Chief Executive must give notice to all Member Authorities that he or she has received the petition together with a copy of the petition.

G12. If the Chief Executive is satisfied that the requirements of Rules G9 and G10 have been met, the Chief Executive must:

- (a) Call a Special General Meeting to be held within 4 weeks after the date on which the Chief Executive received the petition; and
- (b) Determine the time and venue of the meeting; and
- (c) Give notice of the meeting, the venue, and the business to be considered to each Member Authority at least five working days before the date of the meeting.

DELEGATES

G13. At the Annual General Meeting and Special General Meetings, Member Authorities admitted to membership under Rule C1 are entitled to representation as follows:

- (a) Member Authorities (other than Regional Councils) having populations of 50,000 or over - not more than 4 delegates;
- (b) Member Authorities (other than Regional Councils) having populations of 10,000 or over and less than 50,000 - not more than 3 delegates;
- (c) Member Authorities (other than Regional Councils) having populations of less than 10,000 - not more than 2 delegates;
- (d) Regional Councils having populations of 250,000 or over - not more than 4 delegates;
- (e) Regional Councils having populations of 100,000 or over and less than 250,000 - not more than 3 delegates;
- (f) Regional Councils having populations of less than 100,000 - not more than 2 delegates.

G14. At the Annual General Meeting and Special General Meetings, associate members admitted to membership under Rule C2 are entitled to be represented by not more

than 2 delegates, unless otherwise determined by the National Council under Rule C3(b).

- G15.** Every Member Authority must appoint one of its delegates as its presiding delegate and may appoint one or more alternate delegates; provided that the number of alternate delegates does not exceed the number of delegates appointed.
- G16.** The chief executive, Mayor or Chairperson of each Member Authority, shall forward to the Chief Executive the name and official position of the presiding delegate, other delegates and all persons appointed by that Member Authority as an alternate for any delegate who may be absent from the floor of the meeting.
- G17.** In Rules G13 to G16 the term "delegate" includes both an Elected Member and an officer of a Member Authority and may include ~~members of~~ the National Council [Members](#).
- G17A.** For the avoidance of doubt, for the purpose of Rules G13 to G17, the names of delegates may be provided to the Chief Executive in electronic form.

PROXIES

- G18.** At any Annual General Meeting or Special General Meeting, the votes provided for in Part H may be exercised by a Member Authority by proxy in accordance with this Rule.
- G19.** The provisions of Part H apply, with any necessary modifications, to any person who

is a proxy of a Member Authority as though that person was a delegate of the Member Authority.

- G20.** Proxies must be appointed in writing in this form or a similar form (which for the purposes of this Rule includes any electronic form):

**NEW ZEALAND LOCAL GOVERNMENT
ASSOCIATION INCORPORATED**

The _____ Council, a member
authority of *Local Government New
Zealand*, appoints _____ of

or failing him/her
of _____
as its proxy to vote on its behalf at the
Annual General Meeting or Special General
Meeting of *Local Government New
Zealand*, to be held on the _____ day
of _____ 20____ and at any
adjournment thereof.

SIGNED this _____ day
of _____ 20____
by _____

Signature

Name

Designation

who, by signing this proxy confirms that he
or she is entitled to do so.

- G21.** Any instrument appointing a proxy
appearing to be executed in accordance
with these Rules, including any electronic

instrument, must, in the absence of evidence to the contrary, be treated as valid.

G22. No instrument creating a proxy is valid unless:

- (a) It is provided to *LGNZ* at least 48 hours before the time at which the Annual General Meeting or Special General Meeting is to commence, or
- (b) A motion is passed at the meeting to accept it.

CHAIR

G23. The President shall preside at the Annual General Meeting and any Special General Meeting. If the President is absent then the meeting must, by resolution, appoint a Chair, and the Chief Executive or the Chief Executive's nominee must preside at the meeting for the purposes of making such appointment.

| **G24.** The President- or the Chair of the meeting has the power to propose or second any motion even though the President or the Chair, may not be a delegate of a Member Authority.

QUORUM

G25. Subject to Rule G23, at the Annual General Meeting, a Special General Meeting or at a Zone or Sector Group meeting, a quorum consists of one half the total number of Member Authorities entitled to be represented and vote when that number is

[SG Mark-up: May 2025]

even, and a majority of such Member Authorities when the number is odd.

- G26.** If a quorum is not present within one hour of the time fixed for the meeting, the meeting will lapse. If the meeting ceases to have a quorum for any period, no business may be conducted during that time.
- G27.** For the purpose of calculating whether or not a quorum is present at any Annual General Meeting or Special General Meeting, member authorities whose voting at the meeting will be by proxy are to be treated as being present.

CONDUCT OF MEETINGS

- G29.** Subject to the requirements of these Rules, the Annual General Meeting or any Special General Meeting or Zone or Sector Group meeting may by resolution fix rules of debate and rules for the conduct of the meeting. Subject to any such resolution, a ruling of the President or Chair (as the case may be) on any point of order is final and conclusive.

MINUTES

- G30.** Minutes must be kept of all General Meetings.

RESOLUTIONS IN LIEU OF MEETING

- G31.** A resolution in writing signed or consented to by post, email, or other electronic means by such number of Member Authorities who together represent both:

[SG Mark-up: May 2025]

(a) 75% of the number of Member Authorities entitled to vote; and

(b) 75% of the total voting pool that would be available on the matter as calculated under Rule H1 as if the resolution was put to a Special General Meeting at which all Member Authorities were represented.

is valid as if it had been passed at a General Meeting, provided the requirements under sections 89 to 92 of the Act are complied with. Any resolution may consist of several documents in the same form each signed by one or more Member Authorities.

G32. A proposed resolution in writing will lapse if it is not passed in accordance with Rule G31 within 1 month of the date on which it is first sent to Member Authorities.

H VOTING AND ELECTIONS

VOTING

H1. Subject to Rules H3 to H5, at the Annual General Meeting, and any Special General Meeting, or Zone or Sector Group meeting, or for the purposes of any petition under Rule G9, Member Authorities admitted to membership under Rule C1 are entitled to vote as follows:

- (a) Member Authorities having an annual subscription of \$100,000 or over – 6 votes plus 1 vote for every \$20,000 increment (in whole) in excess of \$100,000:
- (b) Member Authorities having an annual subscription of \$80,000 to \$99,999– 6 votes:
- (c) Member Authorities having an annual subscription of \$50,000 to \$79,999 – 5 votes:
- (d) Member Authorities having an annual subscription of \$30,000 to \$49,999 – 3 votes:
- (e) Member Authorities having an annual subscription of \$20,000 to \$29,999 – 2 votes:
- (f) Member Authorities having an annual subscription of less than \$20,000– 1 vote.

H2. At the Annual General Meeting, any Special General Meeting, or any Zone or Sector Group meeting, persons or organisations

admitted to associate membership under Rule C2 are not entitled to vote.

| **H3.** No Member Authority whose annual subscription is in arrears is entitled to vote at any Annual General Meeting or Special General Meeting or at any Zone or Sector Group meeting or by ballot involving elections to the National Council,⁷ until the arrears are paid.

H4. With respect to a petition under Rule G9:

(a) No associate member admitted to membership under Rule C2 is entitled to sign the petition unless the National Council has determined, in accordance with Rule C3 that associate members of that kind may sign the petition; and

(b) No Member Authority, or associate member whose annual subscription is in arrears is entitled to sign the petition.

H5. Subject to Part K, at any Annual General Meeting, Special General Meeting or Zone or Sector Group meeting resolutions are carried by a simple majority of votes.

| **H6.** At any Annual General Meeting, Special General Meeting, or Zone or Sector Group meeting, in the event of an equality of votes^{esing} (whether on a poll or otherwise), the President, or Chair as the case may be, has the casting vote.

H7. At any Annual General Meeting, Special General Meeting, or Zone or Sector Group

meeting, the manner of voting on any issue is determined by the Chair, provided that the Chair, any delegate or Member Authority may demand a poll and on the taking of a poll, each Member Authority present is entitled to vote in accordance with Rule H1.

- H8.** If a poll is taken at any Annual General Meeting, Special General Meeting, or Zone or Sector Group meeting each Member Authority must be provided with one voting form which must indicate the number of votes the Member Authority receiving it is entitled to exercise, and no Member Authority is entitled to divide its votes for and against the motion. No voting form is valid unless signed by the presiding delegate or notified alternate.
- H9.** A demand for a poll does not prevent the continuance of any Annual General Meeting or meeting for the transaction of any business, other than in respect of the question upon which the poll is demanded.

CONDUCT OF ELECTIONS – PRESIDENT AND VICE-PRESIDENT

- H10.** The ballots referred to in Part F must be conducted in accordance with Rules H11 to H24.
- H11.** The Chief Executive must act as Returning Officer and is responsible for the conduct of the elections in accordance with these Rules.
- H12.** Should any matter arise in the conduct of the elections which is not expressly provided for in these Rules, the Chief

Executive must determine the matter in his or her absolute discretion, but may be guided by the provisions of the Local Electoral Act 2001.

- H13.** All nominations must be in writing signed by the Mayor, Chairperson, Deputy Mayor, Deputy Chairperson, or Chief Executive of a Member Authority and must be seconded in writing on the same or another document by one of those office holders of another Member Authority.
- H14.** Nomination and seconding forms must be received by the Chief Executive not later than 31 May in the year in which the election is to be held.
- H15.** Any nomination signed in accordance with, and otherwise appearing to comply with these Rules is deemed to be valid for all purposes and *LGNZ* is not required to inquire into its validity for any purpose whatsoever.
- H15A.** Subject to the requirements of Rules H13 to H15, for the avoidance of doubt, nomination and seconding forms may be provided in electronic form.
- H16.** If only one nomination is received for the office of President by the time nominations close, the person nominated is immediately deemed to be elected and must be declared President-elect by the Chief Executive. If no nominations are received by the date nominations close, then the National Council must meet as soon as practicable to determine how the office may be filled and has full power to decide on the procedures

to apply to ensure that the office of President is filled.

- H17.** If only one nomination is received for the office of Vice-President by the time nominations close, the person nominated is immediately deemed to be elected and must be declared Vice-President elect by the Chief Executive. If no nominations are received by the date nominations close, then the National Council has the power to fill the vacancy on the next occasion it meets after the vacancy has occurred.
- H18.** On the close of nominations the Chief Executive must prepare, for each member authority, voting forms listing the validly nominated candidates to be distributed at the Annual General Meeting. A list of the validly nominated candidates for each office and any biographical material (which may include a photograph and not more than 150 words) provided by the candidates for distribution must be distributed with the Annual General Meeting papers.
- H19.** At any Annual General Meeting at which the election of the President is to occur, voting forms for the election of the Vice-President may not be issued and that election may not take place until the result of the election of the President has been declared.
- H20.** No voting form is valid unless signed by the presiding delegate or notified alternate.
- | **H21.** [Revoked]

| [\[SG Mark-up: May 2025\]](#)

- H22.** Duly completed voting forms must be returned to the Chief Executive, or to any scrutineers appointed by the Chief Executive at the Annual General Meeting, not later than the close of voting.
- H23.** As soon as practicable after the close of voting the Chief Executive must declare the result of the election to the Annual General Meeting.
- H24.** As soon as practicable after any election, the Chief Executive must on the motion of the Annual General Meeting or the National Council destroy the voting forms.
- H25.** For the avoidance of doubt, for the purposes of Rules H18 to H24 any reference to voting form includes any electronic means of voting.

I MANAGEMENT

- 11.** The National Council shall appoint a Chief Executive for such remuneration and on such terms and conditions as it thinks fit, and may terminate or suspend the employment of any Chief Executive so appointed by it, subject to the law and any conditions agreed to in the Chief Executive's employment agreement.
- 12.** The Chief Executive is responsible to the National Council for employing, on its behalf, the staff of *LGNZ* and negotiating the terms of their appointment and may, subject to the law and any conditions in an employment agreement —applying to an employee, remove or suspend any employee from his or her employment.
- 13.** The Chief Executive is responsible to the National Council for the administration of the affairs of *LGNZ* in accordance with policies or directions resolved from time to time by *LGNZ* or the National Council.
- 14.** The Chief Executive has such additional specific powers and authorities as are delegated by the National Council from time to time, including the power to subdelegate. The Chief Executive may also delegate to any officer or employee of *LGNZ* any of the powers, functions and duties conferred upon the Chief Executive under these Rules, including from time to time appointing an Acting Chief Executive for such period and on such terms as it thinks fit, to carry out the powers, functions and duties of the Chief Executive during any absence of the Chief Executive.

| [\[SG Mark-up: May 2025\]](#)

- 15.** The National Council may, from time to time, appoint an Acting Chief Executive for such period and on such terms as it thinks fit, to carry out the powers, functions and duties of the Chief Executive during any vacancy in that office.

[SG Mark-up: May 2025]

J FINANCIAL MANAGEMENT

FINANCIAL YEAR

- J1.** The financial year of *LGNZ* commences on the first day of April in each year and closes on the following ~~31st day of March~~Balance Date.

SUBSCRIPTIONS

- J2.** From time to time, the National Council may by resolution, prescribe the subscriptions, fees or other payments, annual or otherwise, to be paid by Member Authorities and associate members, and, subject to Rule J4, the time and manner of payment of any such subscriptions, fees, or payments.
- J3.** Any resolution may prescribe different subscriptions, fees or other payments for different Member Authorities or associate members, or classes of Member Authorities, or associate members and provide for exemptions of any subscription, fee or other payment.
- J4.** The annual subscription is payable in the month of April in the financial year to which it relates.

CONTROL AND USE OF FUNDS

- J5.** All moneys received by or on behalf of *LGNZ* must be banked immediately in suitable bank accounts in the name of *LGNZ* (or in the case of a trust account, in such name as clearly identifies the trust) and all cheques or other payment on such accounts must be signed by not less than two signatories from

[SG Mark-up: May 2025]

a list of signatories approved by the National Council (or by the trustees) and must be passed for payment or confirmed by the National Council (or as the case may be by the trustees).

INCOME AND PROPERTY

J6. Subject to Rules L9 to L11, the income and property of *LGNZ* must be applied towards the promotion of its objects, and no portion may be paid or transferred directly or indirectly to any Member Authority or associate member; provided that *LGNZ* may in good faith, pay to a National Council ~~M~~member, other member or officer of a Member Authority or associate member, or any other body, corporation or person, any or all of the following as may be decided, by the National Council or, acting under delegation, by the Chief Executive:

- (a) Remuneration for services rendered or payment for goods supplied;
- (b) Honoraria, except for the President, Vice-President and National Council ~~M~~members, and annual, daily, and incidental allowances and out of pocket expenses (including travel and accommodation allowances) incurred in any manner in the reasonable and proper conduct of the affairs of *LGNZ*.

AUDITOR

J7. In accordance with the Public Audit Act 2001, the auditor of *LGNZ* is the Auditor-

General and the provisions of the Public Audit Act 2001 apply to the audit of the financial statements of LGNZ.

INDEMNITY AND INSURANCE

J8. LGNZ indemnifies each of its current and former National Council Members, other officers and employees of LGNZ for all liability and costs to the maximum extent permitted under section 96 of the Act.

J9. With the prior approval of the National Council, LGNZ may effect insurance for its current and former National Council Members, other officers and employees of LGNZ as permitted in section 97 of the Act. The National Council Members who vote in favour of authorising the insurance must sign a certificate stating that, in their opinion, the cost of effecting the insurance is fair to LGNZ.

J10. LGNZ is authorised, but not required, to indemnify a National Council Member, other officer or employee of LGNZ or effect insurance for such persons for the following matters:

(a) liability (other than criminal liability) for a failure to comply with a duty under sections 54 to 61 of the Act or any other duty imposed on the National Council Member in their capacity as an officer under the Act; and

~~(a)~~(b) costs incurred by the National Council Member for any claim or proceeding relating to that liability.

K ALTERATION OF THE RULES

K1. A change to these Rules may be initiated by:-

- (a) A resolution of the National Council; or
- (b) A Member Authority giving more than one month's notice to *LGNZ* before the Annual General Meeting or any Special General Meeting called for the purpose of discussing changes to the Rules.

K2. In all cases, written notice of the proposal to change the Rules must be given to every Member Authority at least 10 working days before the Annual General Meeting or the Special General Meeting.

K3. Every proposal to change the Rules must clearly identify the words to be deleted from the Rules and any words to be added to the Rules.

K4. At a meeting at which the motion to change the Rules is considered:-

- (a) Any motion to amend a motion to change the Rules may be passed by a simple majority; but
- (b) Any motion to change the Rules must be passed by resolution of a two-thirds majority of the valid votes cast.

K5. If an amendment to these Rules would have no more than a minor effect or is to correct errors or make similar technical alterations.

[SG Mark-up: May 2025]

the National Council may give notice of the amendment to every Member stating the text of the amendment and the right of Members to object to the amendment. If the National Council does not receive any objections from Members within 20 working days after the date on which the notice is sent, or any longer period of time that the National Council decides, the National Council may make that amendment. If it does receive an objection, the National Council may not make the amendment.

K6. Every amendment to these Rules made pursuant to this Rule must be in writing.

L MISCELLANEOUS

COMMON SEAL METHOD OF CONTRACTING

L1. A contract or other enforceable obligation may be entered into by LGNZ as follows:

(a) an obligation that, if entered into by a natural person, would, by law, be required to be by deed, may be entered into on behalf of LGNZ in writing signed under the name of LGNZ by:

(i) 2 or more National Council Members; or

(ii) a National Council Member, or other person or class of persons authorised by resolution of the National Council, whose signature or signatures must be witnessed;

(b) an obligation that, if entered into by a natural person, is, by law, required to be in writing, may be entered into on behalf of LGNZ in writing by a person acting under LGNZ's express or implied authority; or

(c) an obligation that, if entered into by a natural person, is not, by law, required to be in writing, may be entered into on behalf of LGNZ in writing or orally by a person acting under LGNZ's express or implied

authority.

L2. LGNZ may (but need not), in addition to complying with the other provisions of this Rule L1, affix its common seal, if it has one, to the contract or document containing the enforceable obligation.

~~L1. LGNZ must adopt a Common Seal which must be kept under the control and in the custody of the Chief Executive.~~

~~L2. Any two of the President, Vice President or Chief Executive, must attest the execution under seal of documents to be executed by LGNZ.~~

~~L3. The Common Seal must only be affixed pursuant to a resolution of the National Council or an Annual General Meeting or Special General Meeting.~~

NOTICE

L4. Any notice to be given to, or any document to be deposited with *LGNZ or the Chief Executive*, is to be regarded as given or deposited when received at the registered office of *LGNZ*; or if posted then three days after being posted to the usual postal address of *LGNZ*, or if sent electronically at the time that the notice arrives in the inbox of the Chief Executive's email address.

L5. Any notice to a Member Authority or associate member is to be regarded as given when received at the principal office of the Member Authority or associate member or three days after being posted to the usual postal address of the member authority or associate member or if sent

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electronically at the time that the notice arrives in the inbox of an appropriate email address for the Member Authority or associate member.

- L6.** In Rules L4 and L5 "received" includes received by facsimile or electronic means during ordinary business hours or if received outside those hours then at 9:00am on the next business day.
- L7.** No notice is to be regarded as having been given or received if in accordance with the usual protocols of that kind of notice, the sender has been notified of a failure of delivery.
- L8.** An inadvertent, unintentional, failure to give any notice required by these Rules to be given to a Member Authority, associate member, the Chief Executive, or any other person does not invalidate the doing of any thing or the election of any person in respect of which the notice was required.

CONTACT PERSON

- L8A.** At all times, the Chief Executive shall serve as a Contact Person for LGNZ.
- L8B.** Without limiting Rule L8A, the National Council may, by resolution, appoint 2 further Contact Persons in addition to the Chief Executive.
- L8C.** In the event that there is a vacancy in the position of Chief Executive and LGNZ has no other Contact Person, the Contact Person shall be the Acting Chief Executive appointed in accordance with Rule I5 until such time that a new Chief Executive is

[SG Mark-up: May 2025]

appointed. If there is no Acting Chief Executive at the relevant time, the National Council shall appoint a replacement Contact Person within twenty working days after the vacancy occurs and ensure that notice of the change is sent to the Registrar of Incorporated Societies in accordance with the Act, such Contact Person to remain the Contact Person until the role of Chief Executive is filled.

~~DISSOLUTION~~LIQUIDATION AND REMOVAL

L9. LGNZ may be voluntarily wound up ~~or removed from the Register of Incorporated Societies~~ in accordance with ~~section 24~~the provisions of the ~~Incorporated Societies Act 1908~~.

L9A. LGNZ may be placed into liquidation in accordance with the provisions of the Act.

~~DISTRIBUTION~~POSITION OF SURPLUS ASSETS ON ~~DISSOLUTION~~LIQUIDATION OR REMOVAL

L10. In the event of LGNZ being wound up, liquidated, or removed from the Register of Incorporated Societies under Rule L9 or L9A:

(a) no distribution shall be made to any Member; and

(b) if any property remains after the settlement of LGNZ's debts and liabilities (**surplus assets**), those ~~at an Annual General Meeting or a Special General Meeting without having passed a resolution directing the disposing of the assets then the surplus assets,~~

[SG Mark-up: May 2025]

~~after the payment of LGNZ's liabilities and expenses of winding up, must be transferred to one or more not-for-profit entities (as that term is defined in section 5(3) of the Act) in New Zealand which support the interests of Local Authorities and local communities must be divided between the Member Authorities in proportion to the subscriptions paid by the Member Authorities immediately prior to the winding up.~~

- L11.** Any meeting called for the purpose of considering a winding up resolution pursuant to Subpart 1 of Part 5 section 24 of the Incorporated Societies Act 1908 (or any statutory provision passed in amendment or substitution for that provision) must have placed before it any proposal or recommendation of the National Council relating to the not-for-profit entity or entities it recommends for disposition of the surplus assets of LGNZ in accordance with Rule L10, and the surplus assets shall be distributed to the entities selected from the National Council recommendation as specified in an ordinary resolution of Members entitled to vote and voting.

M TRANSITION

- M1.** On the date that these Rules are registered under the Act, unless the context otherwise requires:

- (a) all Members under LGNZ's previous Rules continue to be Members;

[SG Mark-up: May 2025]

- (b) all Members continue to be Members in the same category of membership as they were in under LGNZ's previous Rules;
- (b) the National Council Members under LGNZ's previous Rules continue as National Council Members under these Rules, as if they had been elected or appointed under these Rules at the time that they were appointed under the previous Rules;
- (d) any other officer, auditor or other appointee appointed under the previous Rules will continue in the relevant role under these Rules, as if they had been appointed under these Rules at the time that they were appointed under the previous Rules; and
- (e) all other things done or in process, including all contractual and other arrangements entered into, all decisions and appointments made, any guidelines and other policies adopted, and any proceedings commenced under the previous Rules remain valid and effective and, if applicable, may be continued and completed under these Rules.

N L12. — A meeting called for the purpose of considering a winding up resolution may, despite anything contained in these Rules (including any requirement for notice of the business to be conducted at such meeting) after considering any

[SG Mark-up: May 2025]

~~proposal or recommendation of the National Council, by resolution direct the disposal of the assets of LGNZ in such manner as the meeting thinks fit.~~
DISPUTE RESOLUTION

DEFINITIONS

N1. In this Rule N:

- (a) "dispute" has the meaning given to that term in the Act;
- (b) "member" means Member, as that term is defined in these Rules;
- (c) "officer" means a National Council Member, as that term is defined in these Rules;
- (d) "committee" means National Council, as that term is defined in these Rules; and
- (e) "society" means LGNZ.

HOW COMPLAINT IS MADE

N2. A member or an officer may make a complaint by giving to the committee (or a complaints subcommittee established by the National Council for this purpose) a notice in writing that—

- (a) states that the member or officer is starting a procedure for resolving a dispute in accordance with the society's constitution; and
- (b) sets out the allegation to which the dispute relates and whom the allegation is against; and

[SG Mark-up: May 2025]

(c) sets out any other information reasonably required by the society.

N3. The society may make a complaint involving an allegation against a member or an officer by giving to the member or officer a notice in writing that—

(a) states that the society is starting a procedure for resolving a dispute in accordance with the society's constitution; and

(b) sets out the allegation to which the dispute relates.

N4. The information given under Rules N2(b) and N3(b) must be enough to ensure that a person against whom an allegation is made is fairly advised of the allegation concerning them, with sufficient details given to enable them to prepare a response.

N5. A complaint may be made in any other reasonable manner permitted by the society's constitution.

PERSON WHO MAKES COMPLAINT HAS RIGHT TO BE HEARD

N6. A member or an officer who makes a complaint has a right to be heard before the complaint is resolved or any outcome is determined.

N7. If the society makes a complaint,—

(a) the society has a right to be heard before the complaint is resolved or any outcome is determined; and

(b) an officer may exercise that right on behalf of the society.

N8. Without limiting the manner in which the member, officer, or society may be given

the right to be heard, they must be taken to have been given the right if—

- (a) they have a reasonable opportunity to be heard in writing or at an oral hearing (if one is held); and
- (b) an oral hearing is held if the decision maker considers that an oral hearing is needed to ensure an adequate hearing; and
- (c) an oral hearing (if any) is held before the decision maker; and
- (d) the member's, officer's, or society's written statement or submissions (if any) are considered by the decision maker.

PERSON WHO IS SUBJECT OF COMPLAINT HAS RIGHT TO BE HEARD

N9. This Rule applies if a complaint involves an allegation that a member, an officer, or the society (the **respondent**)—

- (a) has engaged in misconduct; or
- (b) has breached, or is likely to breach, a duty under the society's constitution or bylaws or this Act; or
- (c) has damaged the rights or interests of a member or the rights or interests of members generally.

N10. The respondent has a right to be heard before the complaint is resolved or any outcome is determined.

N11. If the respondent is the society, an officer may exercise the right on behalf of the society.

N12. Without limiting the manner in which a respondent may be given a right to be heard, a respondent must be taken to have been given the right if—

- (a) the respondent is fairly advised of all allegations concerning the respondent, with sufficient details and time given to enable the respondent to prepare a response; and
- (b) the respondent has a reasonable opportunity to be heard in writing or at an oral hearing (if one is held); and
- (c) an oral hearing is held if the decision maker considers that an oral hearing is needed to ensure an adequate hearing; and
- (d) an oral hearing (if any) is held before the decision maker; and
- (e) the respondent's written statement or submissions (if any) are considered by the decision maker.

INVESTIGATING AND DETERMINING DISPUTE

N13. A society must, as soon as is reasonably practicable after receiving or becoming aware of a complaint made in accordance with its constitution, ensure that the dispute is investigated and determined.

N14. Disputes must be dealt with under the constitution in a fair, efficient, and effective manner.

SOCIETY MAY DECIDE NOT TO PROCEED FURTHER
WITH COMPLAINT

N15. Despite Rules N13 and N14, a society may
decide not to proceed further with a
complaint if—

- (a) the complaint is trivial; or
- (b) the complaint does not appear to
disclose or involve any allegation
of the following kind:
 - (i) that a member or an
officer has engaged in
material misconduct;
 - (ii) that a member, an officer,
or the society has
materially breached, or is
likely to materially
breach, a duty under the
society's constitution or
bylaws or this Act;
 - (iii) that a member's rights or
interests or members'
rights or interests
generally have been
materially damaged;
- (c) the complaint appears to be
without foundation or there is no
apparent evidence to support it; or
- (d) the person who makes the
complaint has an insignificant
interest in the matter; or
- (e) the conduct, incident, event, or
issue giving rise to the complaint
has already been investigated and
dealt with under the constitution;
or
- (f) there has been an undue delay in
making the complaint.

[SG Mark-up: May 2025]

SOCIETY MAY REFER COMPLAINT

N16. A society may refer a complaint to—

- (a) a sub-committee or an external person to investigate and report; or
- (b) a sub-committee, an arbitral tribunal, or an external person to investigate and make a decision.

N17. A society may, with the consent of all parties to a complaint, refer the complaint to any type of consensual dispute resolution (for example, mediation, facilitation, or a tikanga-based practice).

DECISION MAKERS

N18. A person may not act as a decision maker in relation to a complaint if 2 or more members of the committee or a complaints sub-committee consider that there are reasonable grounds to believe that the person may not be—

- (a) impartial; or
- (b) able to consider the matter without a predetermined view.

Appendix 3: LGNZ Rules (clean)

RULES

of

NEW ZEALAND LOCAL GOVERNMENT ASSOCIATION INCORPORATED

(TRADING AS *Local Government New Zealand or LGNZ*)

(adopted at the Annual General Meeting on 18 July 2001
and amended at the Special General Meeting on 11 March 2005,
and at the Annual General Meeting on 27 July 2005, 28 July 2010,
15 July 2012, and Special General Meeting on 13 March 2014, and
Annual General Meeting on 7 July 2019, and Annual General
Meeting on 17 July 2021, and Annual General Meeting on [*insert*])

These Rules were adopted and approved at the Annual General Meeting of New Zealand Local Government Association Incorporated held on **[INSERT DATE]** (in accordance with New Zealand Local Government Association Incorporated's previous Rules adopted on 17 July 2021 and registered by the Registrar on 3 September 2021):

SIGNED on behalf of **[INSERT FULL NAME OF MEMBER]** as a Member of **New Zealand Local Government Association Incorporated**
by:

Signature of authorised signatory

Name of authorised signatory

SIGNED on behalf of **[INSERT FULL NAME OF MEMBER]** as a Member of **New Zealand Local Government Association Incorporated**
by:

Signature of authorised signatory

Name of authorised signatory

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A NAME AND INTERPRETATION

A1. The name of the Society is the NEW ZEALAND LOCAL GOVERNMENT ASSOCIATION INCORPORATED (trading as "*Local Government New Zealand*" and referred to as *LGNZ* in these Rules).

A2. In these Rules unless the context requires a different interpretation:

'ACT' means the Incorporated Societies Act 2022 and any regulations made under that Act, in each case, as amended or replaced from time to time.

'ANNUAL GENERAL MEETING' means the Annual General Meeting of Member Authorities held in accordance with Part G.

'APPOINTED' means appointed to office whether by election or otherwise and "appointment" has a corresponding meaning.

'BALANCE DATE' means 31 March or such other date as agreed by the National Council from time to time.

'CHIEF EXECUTIVE' means the Chief Executive of *LGNZ* appointed under Rule I1, and includes an Acting Chief Executive appointed under Rules I4 and I5 when acting during the absence of the Chief Executive or a vacancy in that office.

'CONTACT PERSON' has the meaning given to that term in the Act and, for the purposes of these Rules, means any person appointed as a Contact Person in accordance with Rule L8A.

'ELECTED MEMBER' means an elected member of a Member Authority and includes –

- (a) A person holding office as Chairperson, Mayor, or Councillor of a Member Authority;
- (b) A person holding office as a member of a local board within the district of a Member Authority; and
- (c) A person holding office as a member of a community board within the district of a Member Authority.

'LOCAL AUTHORITY' means a Regional Council, Unitary Authority, or Territorial Authority, or any statutory body being the successor of such local authority, but does not include the Minister of Local Government.

'MEMBER' means a Member Authority, an associate member (admitted under Rule C2), or a life member (admitted under Rule C8).

'MEMBER AUTHORITY' means a Local Authority for the time being admitted to membership of *LGNZ* in accordance with Part C.

'MINISTER OF LOCAL GOVERNMENT' means the Minister, as that term is defined in the Local Government Act 2002.

'NATIONAL COUNCIL' means the governing body of *LGNZ* constituted in accordance with Part E, and is the “committee” for the purposes of the Act.

'NATIONAL COUNCIL MEMBER' means a member of the National Council elected, appointed or assuming office from time to time in accordance with Rule E1, and includes the President, and is an “officer” for the purposes of the Act.

'REGIONAL COUNCIL', 'UNITARY AUTHORITY' and 'TERRITORIAL AUTHORITY' have the same meaning as in the Local Government Act 2002, except that they do not include the Minister of Local Government.

'SECTOR GROUP' means a sector based grouping of Member Authorities as provided for in Part D.

'STATS NZ' means the Government department known as Stats NZ (Statistics New Zealand) or any replacement of it.

'TE MARUATA' means the committee named Te Maruata Roopu Whakahaere established in response to the remit passed at the 2008 Annual Conference and any committee in substitution for that committee.

'YEM COMMITTEE' means the Young Elected Committee, as currently provided for in the Terms of Reference dated January 2020, being a committee appointed by the Young Elected Members Network.

'YOUNG ELECTED MEMBERS NETWORK' means the network as provided for in the Terms of Reference for the YEM Committee dated January 2020, being a network of Elected Members who were aged 40 years and under at the polling day of the most recent triennial local government election.

'ZONE' means a geographical grouping of Member Authorities as provided for in Part D.

- A3.** The definitions contained in Section 5 of the Local Government Act 2002, unless the context otherwise requires, apply to any term capitalised but not expressly defined in these Rules.
- A4.** Subject to Rule A5, for all purposes under these Rules, the population of a Member Authority is the population as determined in the most recent New Zealand Census of Population and Dwellings run by Stats NZ (**Census**).
- A5.** On application by a Member Authority, the Annual General Meeting may by resolution determine that the population of the Member Authority for the purpose of one or more of these Rules is as determined by any estimate issued by Stats NZ that is more recent than the most recent Census.
- A6.** Where any Rule provides that a person assumes office on a specified day, that person shall assume office at the commencement of that day – that is, immediately after midnight of the preceding day, unless otherwise specified.

- A7.** Subject to Rule A6, where any matter or thing is required or authorised by these Rules to be done on or not later than a specified date or day, that matter or thing may be done at any time up to midnight on that day, unless otherwise specified.
- A8.** In the event of any inconsistency between these Rules and the Act, where such inconsistency is not permitted by the provisions of the Act, the provisions of the Act will prevail to the extent of the inconsistency.
- A9.** In these Rules, a power of the National Council to impose any requirement includes a power to waive such requirement.

B OBJECTS AND POWERS

- B1.** The objects, referred to as “purposes” in the Act, of *LGNZ* are:
- (a) To promote the national interests of local government through the promotion of *LGNZ*’s vision as approved by the National Council from time to time;
 - (b) To advocate on matters affecting the national interests of local government and the communities that it represents;
 - (c) To constructively promote and facilitate regular dialogue with Government, Parliamentarians, and the agencies of Government on matters of national interest to local government with a view to

enhancing and ensuring a long-term commitment to partnership between central and local government in New Zealand;

- (d) To provide full, accurate and timely information to Member Authorities and associate members on matters affecting local government and *LGNZ*;
- (e) To research, survey, and investigate those matters in which *LGNZ* has an interest or a responsibility on behalf of its Member Authorities;
- (f) To provide advice and to deliver education and training opportunities for Member Authorities and others on the role and practices of local government, sound governance and management practices, best practice operational matters, the laws affecting local government, and other matters relevant to local government;
- (g) To hold such conferences and forums as required for the advancement of its objects;
- (h) Generally to do all such other things as may be incidental or conducive to attaining any of the above objects.

B2. *LGNZ* shall have the following powers:

- (a) *LGNZ* shall have the statutory powers given to it under the Act and the powers of a natural person to carry out its activities and objects.
- (b) Nothing in these Rules authorises *LGNZ* to do anything which contravenes or is inconsistent with the Act, any regulations made under the Act, or any other legislation.
- (c) The powers in this Rule B2 must only be used to further the objects of *LGNZ* as set out in Rule B1.

C MEMBERSHIP

MEMBERS

C1. Subject to Rules C4 and C5 a Local Authority becomes a Member Authority upon payment of the annual subscription.

C1A. Every Local Authority seeking to join *LGNZ* must first provide its consent to becoming a Member Authority. A Local Authority shall be deemed to have given its consent to becoming a Member Authority on the date that it makes payment of the annual subscription in accordance with Rule C1 and completing any form of confirmation required by *LGNZ* (if any).

ASSOCIATE MEMBERS

C2. Subject to Rules C4 and C5 any other person or organisation that is approved as an associate member of *LGNZ* by the National Council, becomes an associate member of

LGNZ on payment of the appropriate annual subscription.

C2A. Any other person or organisation that is approved under Rule C2 as an associate member must first consent to becoming an associate member before they will be recorded as a Member. An associate member shall be deemed to have given its consent to becoming an associate member on the date that it makes payment of the annual subscription in accordance with Rule C2.

C3. The National Council may from time to time by resolution:

(a) Create amend or delete any category or categories of associate members; and

(b) Determine the extent of the rights and privileges of associate members as members of *LGNZ* (which must not include voting rights as members of *LGNZ*).

C3A. Without limiting the categories of persons or organisations that may become associate members, the National Council may make provision for an associate membership category or categories for council organisations, council-controlled organisations, council-controlled trading organisations and exempted organisations (as those terms are defined in the Local Government Act 2002, but without the exclusions provided in section 6(4) of that Act).

TERMINATION OF MEMBERSHIP

C4. Any Member Authority or associate member or life member may resign from membership by giving to *LGNZ* notice in writing, and every notice, unless otherwise expressed, takes effect one month after the giving of that notice but does not in any case release the Member Authority or associate member or (if applicable) life member from payment of any subscription, fees or other payments owing to *LGNZ* at the time of resignation.

C4A. In addition to the circumstances in Rule C4 and Rule C5, a Member will also cease to be a Member in the following circumstances:

- (a) if that Member is an individual, on their death or incapacitation;
- (b) if an associate member, the Member no longer has the characteristics that caused the National Council to admit them as a Member, as determined by the National Council in its absolute discretion and notified to the Member in writing; or
- (b) following a decision by the National Council (made in its absolute discretion) that the Member has been involved in any conduct which brings *LGNZ* or the sector in which *LGNZ* operates into disrepute.

C5. The National Council has the power, by resolution, to terminate, or suspend for any specified period, the membership of any

Member Authority or associate member or life member for whatever reasons, in its discretion, it thinks fit.

- C6.** Any Member Authority or associate member whose membership has been terminated or suspended is entitled to table a motion before an Annual General Meeting seeking the revocation of the termination or suspension, and notwithstanding any provisions of these Rules to the contrary (including any procedural requirement for a seconder to a motion), the motion shall be put to that Annual General Meeting.
- C7.** If any motion referred to in Rule C6 is passed, the termination or suspension shall be deemed to have no effect.
- C8.** A Member who resigns or whose membership is terminated under these Rules shall, on the effective date of such resignation or termination:
- (a) cease to be entitled to any of the rights of a Member;
 - (b) cease to hold itself out as a Member of *LGNZ*; and
 - (c) immediately return to *LGNZ* any property (tangible or intangible) supplied or owned by *LGNZ*.

LIFE MEMBERSHIP

- C8.** Notwithstanding anything to the contrary in these Rules, the Annual General Meeting or a Special General Meeting may by resolution, upon the recommendation of

the National Council, elect to life membership any person who has given outstanding service to *LGNZ* or to local government generally.

C9. A life member may attend any Annual General Meeting or Special General Meeting of *LGNZ* without paying a fee, and has such speaking rights as the Chair of the meeting allows but a life member is not entitled to exercise any other rights conferred by or under these Rules upon Member Authorities or associate members (including for the avoidance of doubt, any voting rights).

C9A. Life members must provide their prior written consent to becoming life members of *LGNZ*, such consent to be provided in writing (whether by electronic means or otherwise) to the Chief Executive (in their capacity as Contact Person).

TRANSITIONAL MEMBERSHIP

C10. Notwithstanding anything to the contrary in these Rules but subject to Rule C11, any Local Authority, which pursuant to a final reorganisation scheme or other final scheme whether implemented under the Local Government Act 2002 or otherwise, succeeds to the functions of a Regional Council, Unitary Authority or Territorial Authority, any one or more of which were separately Member Authorities of *LGNZ*, becomes a Member Authority of *LGNZ* entitled to all the rights and privileges of that status.

C11. The National Council may require payment by a Local Authority whose predecessors

were not all Member Authorities, of such additional sum as it considers necessary to fairly equate, in respect of the balance of the current financial year, with the subscription which would otherwise have been payable had the Local Authority been a Member Authority at the commencement of that financial year.

C12. Any Local Authority that succeeds to membership under Rule C10 must first consent to becoming a Member except to the extent that the legal form of its succession continues the membership of the original Member or Members through the succeeding Local Authority. Consent (if required) will be provided as follows:

- (a) if the Local Authority is required by the National Council to pay an additional sum under Rule C11, then that Local Authority shall be deemed to have given its consent to becoming a Member Authority on the date that it makes payment of that sum; or
- (b) if the Local Authority is not required by the National Council to pay an additional sum under Rule C11, then that Local Authority must provide its written consent (whether by electronic means or otherwise) to becoming a Member Authority to the Chief Executive (in their capacity as Contact Person) prior to its membership commencing.

REGISTER OF MEMBERS

C13. *LGNZ* will keep and maintain an up-to-date register of all Members of *LGNZ*.

C14. The register of Members will contain:

- (a) the name of each Member;
- (b) the last known contact details of each Member;
- (c) the date on which each person became a Member; and
- (d) any other information prescribed by regulations made under the Act, which, at the date of these Rules, includes:
 - (i) the name of each person who has ceased to be a Member of the society within the previous 7 years; and
 - (ii) the date on which each person ceased to be a member.

C15. A Member must provide prompt notice to the Chief Executive (in their capacity as Contact Person) of any change to the details contained in the register of Members against their register entry. The register of Members will be updated as soon as practicable after the Chief Executive (in their capacity as Contact Person) is made or otherwise becomes aware of changes to the information recorded in the register of Members.

D ZONES AND SECTOR GROUPS

ZONES

- D1.** There shall be six geographical groupings of Member Authorities to be known as Zones. Each Member Authority (except Auckland Council) shall belong to one Zone, and no Member Authority shall belong to more than one Zone.
- D2.** Subject to paragraph D5, the membership of the six Zones is as follows:
- (a) Zone One - All Member Authorities within the area bounded by the Northland Regional Council.
 - (b) Zone Two - All Member Authorities within the area bounded by the Waikato and Bay of Plenty Regional Councils and the Gisborne District Council and those parts of the Waitomo and Taupo District Councils situated in any other Regions.
 - (c) Zone Three - All Member Authorities within the area bounded by the Taranaki, Hawke's Bay, and Manawatu-Wanganui Regional Councils and that part of the Tararua District situated in the Wellington Region but excluding any parts of the Taupo and Waitomo District Councils.
 - (d) Zone Four - All Member Authorities within the area bounded by the Wellington

Regional Council including that Council but excluding any part of the Tararua District.

(e) Zone Five - All Member Authorities within the area bounded by the Canterbury and West Coast Regional Councils, the Tasman and Marlborough District Councils, the Nelson City Council, and the Chatham Islands Council but excluding any part of the Waitaki District.

(f) Zone Six - All Member Authorities within the area bounded by the Otago and Southland Regional Councils and that part of the Waitaki District Council included in the Canterbury Region.

D3. For the purposes of Rule D2, membership of the six Zones is to be determined by the boundaries specified in Rule D2 even though all or any of the Local Authorities may be abolished or their boundaries altered by any final reorganisation scheme or other final scheme whether implemented under the Local Government Act 2002 or otherwise.

D4. In the event that the district of a Member Authority is or becomes located in more than one Zone, or if for any other reason it is unclear to which Zone a Member Authority belongs, the matter must be determined by resolution of the National Council.

D5. The National Council may redefine the membership of any Zone after consultation

with all affected members. Upon making any change the National Council will notify all members of its decision and of the date on which it becomes effective.

ZONE FUNCTIONS

D6. In addition to making appointments to the National Council, Zones may:

- (a) Provide information and advice on issues and concerns affecting members to the National Council and the Chief Executive, and receive and disseminate information to their members; and
- (b) Assist the National Council and the Chief Executive in dealing with national issues and in otherwise furthering the objects of *LGNZ*.

SECTOR GROUPS

D7. There shall be four sector based groupings of Member Authorities known as Sector Groups made up as follows:

- (a) Metropolitan Group - All territorial authorities and unitary authorities having populations of 90,000 or over;
- (b) Provincial Group - All territorial authorities and unitary authorities having populations of 20,000 or over and less than 90,000;
- (c) Rural Group - All territorial authorities and unitary authorities

having populations of less than 20,000; and

- (d) Regional Group - All regional councils and unitary authorities.

D8. Subject to Rule D9, each Member Authority, by virtue of its membership of *LGNZ* belongs to a Sector Group specified in Rule D7.

D9. Any Member Authority, may apply to the Chair of the Sector Group to which it would prefer to belong and may belong to a Sector Group different from that specified in Rule D7 if:

- (a) The Chair of the Sector Group to which it applies agrees in writing; and
- (b) The decision of the Chair is confirmed by National Council.

D10. For the purpose of making any appointment under paragraphs (c) or (d) or (e) of Rule E1:

- (a) No Member Authority may vote in respect of more than one Sector Group; and
- (b) A Member Authority which is a unitary authority may vote either as a territorial authority or as a member of the Regional Group but not both.

D11. For any purpose other than making an appointment under paragraphs (c) or (d) or (e) of Rule E1:

- (a) No member is bound to any Sector Group; and
- (b) Any Member Authority may attend meetings of any Sector Group and be treated, subject to the following paragraph (c), as a member of that Sector Group; and
- (c) Member Authorities who are described as belonging to a particular Sector Group in Rule D7 may determine from time to time whether other Member Authorities who attend meetings of their Sector Group have voting rights, either generally or in regard to any particular case.

SECTOR GROUP FUNCTIONS

D14. In addition to making appointments to the National Council, Sector Groups may:

- (a) Provide information and advice on issues and concerns affecting members to the National Council and the Chief Executive, and receive and disseminate information to their members; and
- (b) Assist the National Council and the Chief Executive in dealing with national issues and in otherwise furthering the objects of *LGNZ*.

ZONE AND SECTOR GROUP MEETINGS

- D15.** Each Zone and each Sector Group must comply with any directions of the National Council as to:
- (a) The making of appointments;
 - (b) The conduct of meetings; or
 - (c) The conduct of its affairs generally.
- D16.** Each Zone and each Sector Group must meet or conduct ballots at such time or times to enable appointments to the National Council to be made in accordance with these Rules.
- D17.** Subject to the preceding provisions of these Rules, each Zone and each Sector Group may conduct meetings at such times and places, and in such manner as it determines.
- D18.** No Zone or Sector Group meeting may be held unless *LGNZ* and all Member Authorities within the Zone or Sector Group concerned have been given not less than 5 working days' notice of the meeting, venue and the business to be considered.
- D19.** The President and Chief Executive (or their nominees) are entitled to be notified of, attend, and have speaking rights at all Zone and Sector Group meetings.
- D20.** A record must be kept of all Zone and Sector Group meetings and a copy of the record forwarded to *LGNZ*.

D21. Subject to any directions by the National Council, each Zone or Sector Group is responsible for determining the manner of administering and funding its activities but the cost of any services to be provided by *LGNZ* must first be agreed with the National Council.

D22. At all times each Zone and Sector Group must have a person designated as its Chair.

E NATIONAL COUNCIL

COMPOSITION OF NATIONAL COUNCIL

- E1.** The National Council of *LGNZ* consists of the President and:
- (a) The person for the time being holding office as the Chair of Te Maruata (or an alternate appointed in writing by that person);
 - (b) One person elected by each of Zones One, Two, Three, Four, Five and Six;
 - (c) Three persons appointed by the Metropolitan Group;
 - (i) at least one of whom is an Elected Member of a South Island Member Authority; and
 - (ii) none of whom is an Elected Member of Auckland Council or any of its local boards.
 - (d) Two persons elected by the Regional Group;

- (e) One person elected by each of the Provincial and Rural Groups;
 - (f) The Mayor of Auckland (or an alternate member of the Auckland Council governing body appointed in writing by the Mayor);
 - (g) Two persons to represent Auckland as set out in Rule E1A; and
 - (h) One person appointed from the Young Elected Members Network.
- E1A.** The appointments referred to in Rule E1(g) must be:
- (a) one person appointed by the Auckland Council, from members of the governing body (not being the Mayor, or the Mayor's alternate under Rule E1(f)); and
 - (b) one person appointed by Auckland Council local boards, from Elected Members of the local boards.
- E1B.** The appointment referred to in Rule E1(h) must be made:
- (a) By resolution of the YEM Committee as soon as practicable after this Rule comes into effect; and thereafter
 - (b) After each triennial local government election by such process as the Young Elected Member Network determines that is compatible with the provisions of the Terms of Reference for the YEM Committee dated January 2020.

- E1C.** For the avoidance of doubt, the National Council will comprise, at all times:
- (a) up to 19 persons who are the appointees from time to time under Rule E1; plus
 - (b) any National Council Member(s) appointed under Rules E11A or E11B),
- each with the participation, voting, and other rights as set out in Rule E25.

QUALIFICATION AND VOTING

- E2.** Only a person who holds office as an Elected Member is qualified to be appointed to or assume office as a National Council Member as the case may be.
- E3.** No Local Authority or any representative of a Local Authority is entitled to make an appointment or to vote in the making of appointments pursuant to Rule E1 unless the Local Authority is a Member Authority.
- E4.** Subject to the determination referred to in Rule E6, no Member Authority is entitled to exercise more than one vote for any candidate for appointment under Rules E1(c) or (d) or (e).
- E5.** Subject to these Rules, each Zone and each Sector Group is entitled to determine the manner in which its appointments will be made.

SECTOR GROUP APPOINTMENTS

E6. Appointments of National Council Members by Sector Groups must be made in the following manner:

- (a) Elections in each Sector Group must be held within eight weeks after the triennial local government elections are held;
- (b) Elections are to be conducted under the supervision of the Chief Executive by way of secret ballot and may be carried out by postal vote or electronic voting;
- (c) Each Member Authority in a Sector Group has a single vote for the purpose of the elections;
- (d) If any matter arises in the conduct of the elections which is not expressly provided for in these Rules, the Chief Executive must determine the matter in his or her absolute discretion but may be guided by the provisions of the Local Electoral Act 2001;
- (e) As soon as practicable after the closing of voting the Chief Executive must declare the result of the election;
- (f) If, on any count, two or more candidates have an equal number of votes and one or more of them has to be excluded, the candidate or candidates to be excluded must be decided by the drawing of lots

under a procedure supervised by the Chief Executive.

- E7.** Appointments of National Council Members by Sector Groups are for a period of three years except where Rule E16 applies.

ZONE APPOINTMENTS

- E8.** Appointments of National Council Members by Zones must be made in the following manner:

- (a) Elections in each Zone must be held within eight weeks after the triennial local government elections are held;
- (b) Elections are to be conducted under the supervision of the Chief Executive by way of secret ballot and may be carried out by postal vote or electronic voting;
- (c) Each Member Authority in a Zone has the votes allocated to it as determined under Rule H1;
- (d) If any matter arises in the conduct of the elections which is not expressly provided for in these Rules, the Chief Executive must determine the matter in his or her absolute discretion but may be guided by the provisions of the Local Electoral Act 2001;
- (e) As soon as practicable after the closing of voting the Chief

Executive must declare the result of the election;

- (f) If, on any count, two or more candidates have an equal number of votes and one or more of them has to be excluded, the candidate or candidates to be excluded must be decided by the drawing of lots under a procedure supervised by the Chief Executive.

E9. Appointments of National Council Members by Zones are for a period of three years, except where Rule E16 applies. Once notified, the persons appointed are not able, while holding office on the National Council, to also hold appointment under Rules E1(c) to (e).

APPOINTMENTS GENERALLY

E10. Persons appointed to the National Council or who assume office as a member of National Council under Rules E1 to E9 assume office on the day that is eight weeks after the triennial local government elections are held, except that the person who assumes office as a member of National Council pursuant to Rule E1(a) assumes that office at such time that the Chair of Te Maruata is appointed at a hui organised by LGNZ for the purpose of Te Maruata appointment, and subject to Rules E12 to E17, all such persons serve in office until their successors have assumed office.

E11. In the event that any appointment required to be made in terms of these Rules is not made, a vacancy shall be deemed to result.

The vacancy must be filled by appointment by the National Council as soon as practicable.

E11A. From time to time, the National Council may appoint to the National Council any person whom the National Council believes will assist the National Council in its deliberations because of that person's training, qualifications or experience. Any such person is not required to be qualified to be a National Council Member or an Elected Member. The National Council may discharge any such person from the National Council in like manner.

E11B. From time to time, the National Council may appoint to the National Council any person whom the National Council believes will ensure diversity of representation on National Council. Any such person must be an Elected Member. The National Council may discharge any such person from the National Council in like manner.

E11C. Any person appointed under Rules E11A or E11B shall have full speaking rights but no voting rights at National Council meetings.

VACANCIES

E12. If any National Council Member (other than the President):

- (a) Resigns from the National Council by giving written notice to that effect to the Chief Executive; or
- (b) Subject to Rule E13, ceases to hold office as an Elected Member; or

(c) Is elected to the office of President;

then that person's position as a National Council Member immediately becomes vacant.

E13. If a National Council Member ceases to hold office as an Elected Member by not standing for election, or failing to win election, at a triennial local government election, the person continues to hold office as a National Council Member until his or her successor assumes office under Rule E10.

E14. If any National Council Member is absent for two consecutive meetings of the National Council, without leave of absence granted by, or an apology satisfactory to, the National Council, then that person's position may be declared vacant by the National Council.

E15. Subject to Rules E1 to E14, in the event of any position on the National Council (other than the office of the President or the position occupied by the Chair of Te Maruata) becoming vacant, the Chief Executive must immediately give written notice to all Member Authorities entitled to have appointed that member, and the relevant Zone or Sector Group or the Young Elected Members Network or Auckland Council as the case may be may appoint a replacement person to the vacant position. If within two months after the giving of such notice, the vacancy has not been filled, the National Council has the power to fill the vacancy by appointment.

- E15A.** In the event of the position on National Council occupied by the Chair of Te Maruata becoming vacant, that position will be filled by the Deputy Chair of Te Maruata until such time that a replacement Te Maruata Chair is elected.
- E16.** Any person appointed under Rule E15, or who assumes office under Rule E15A, holds office only for the unexpired portion of the term of office of that person's predecessor.
- E17.** The National Council may continue to act with a vacancy in its numbers, but if, and so long as, its numbers are reduced below a quorum, the continuing National Council Members may only act for the purposes of increasing the number of National Council Members to a quorum or more or for exercising any powers under Part G vested in the National Council.

POWERS OF NATIONAL COUNCIL

- E18.** The National Council has and may exercise the sole control, discretion and governance of *LGNZ* subject only to any limitations imposed by these Rules or directions given by the Annual General Meeting or any Special General Meeting.

NATIONAL COUNCIL MEETINGS AND PROCEDURES

- E19.** Meetings of the National Council must be held in accordance with Rules E20 to E29.
- E20.** Meetings of the National Council must be held at the times and places as are fixed by the National Council, or as requisitioned by written notice to the Chief Executive signed

by the President or any three National Council Members.

- E21.** Subject to Rule E23, the Chief Executive must give each National Council Member at least 5 working days' notice of a meeting of the National Council and must, before each meeting, forward to each National Council Member details of the venue and business to be transacted at the meeting.
- E22.** Despite Rule E21, the National Council may deal with other business at the meeting only if a majority of the National Council agrees.
- E23.** In circumstances in which the President or Chief Executive determine that business has arisen requiring urgent attention by the National Council, a meeting must be held on not less than 48 hours' notice being given by the Chief Executive, (or shorter notice if every National Council Member agrees) and only the business notified may be transacted at that meeting.
- E24.** The President shall preside at all National Council meetings but if the President is absent, the meeting must appoint a Chair.
- E25.** Each National Council Member present at any meeting of the National Council is entitled to one vote, and in the event of an equality of votes, the Chair of the meeting is entitled to exercise a second or casting vote. Proxy voting is not permitted. For the avoidance of doubt, any National Council Member that is "interested" in a matter relating to *LGNZ* within the meaning of section 62 of the Act, shall not be entitled to vote at a meeting or partake in a decision

of the National Council relating to that matter (and shall otherwise be subject to the restrictions in section 64(1) of the Act in respect of that matter), other than in the circumstances permitted by section 64(2) of the Act.

E26. At any meeting of the National Council, a quorum consists of:

- (a) half of the membership (President and members provided for in Rule E1) if the number of such members (including vacancies) is even; or
- (b) a majority of members (President and members provided for in Rule E1) if the number of such members (including vacancies) is odd.

E27. If a quorum is not present within one hour of the time fixed for a National Council meeting, the meeting shall lapse. If the meeting ceases to have a quorum for any period, no business may be conducted during that time.

E28. For the purposes of Rules E26 and E27, a quorum exists at a meeting when sufficient persons to make up the quorum are:

- (a) Assembled together at the place fixed for the meeting; or
- (b) Are linked by means of audio or audio and visual communication and can simultaneously hear each other; or
- (c) Any combination of paragraphs (a) and (b).

E28A. Questions arising at a meeting of the National Council must be decided by a simple majority of the National Council Members then in office and present and entitled to vote at such meeting, including any second or casting vote of the Chair.

E29. Subject to Rules E19 to E29A, the National Council may regulate its own procedures.

E29A. The National Council may pass a resolution without a meeting held in accordance with Rules E20-E29, but only if the resolution is assented to by not less than 75% of the National Council Members then in office and entitled to vote.

E29B. No act or proceeding of the National Council, or of any sub-committee of the National Council, or any person acting as a National Council Member or officer shall be invalidated as a consequence of there being a vacancy in the membership of the National Council at the time of that act or proceeding or of the subsequent discovery that there was some defect in the entitlement of any person so acting to be a National Council Member or sub-committee member or officer that they were incapable or being or had ceased to be a National Council Member or sub-committee member or officer.

NATIONAL COUNCIL SUB-COMMITTEES

E30. The National Council may appoint sub-committees for general or special purposes and may delegate any of its powers to such

sub-committees except the powers in Rules C5, E11, E14, and E15.

- E31.** The National Council must appoint the Chair of each sub-committee who shall preside at all meetings of the sub-committee, but if that person is absent, the meeting must appoint a member of the sub-committee to preside at that meeting.
- E32.** From time to time, the National Council may appoint to any sub-committee appointed under Rule E30, any person whom the National Council believes will assist the sub-committee in its deliberations because of that person's training, qualifications or experience. Any such person is not required to be qualified to be a National Council Member or an elected member. The National Council may discharge any such person from a sub-committee in like manner.
- E33.** Every sub-committee appointed under Rule E30 must report to the National Council, and its report must be adopted by the National Council before any action is taken in respect of the matter, unless the sub-committee has been appointed with specific authority to act, as set out in that sub-committee's terms of reference.
- E34.** The Chair of any sub-committee may arrange for the attendance of any person at a sub-committee meeting and that person has full speaking rights at that meeting. The President and the Chief Executive have the right to be notified of, attend, and have speaking rights at any sub-committee meeting.

- E35.** Where there is urgent business to be transacted by any sub-committee, the Chair of that sub-committee or the Chief Executive may convene a meeting on such notice as can conveniently be given; otherwise sub-committee meetings must be convened at such times and on such notice as the sub-committee so determines.
- E36.** Each sub-committee member present at any meeting of a sub-committee is entitled to one vote, and in the event of an equality of votes, the Chair of the meeting is entitled to exercise a second or casting vote.
- E37.** At any meeting of a sub-committee, a quorum exists when not less than one third of the total number of members of the sub-committee are present.
- E38.** If a quorum is not present within one hour of the time fixed for a sub-committee meeting, it shall lapse. If the meeting ceases to have a quorum for any period, no business may be conducted during that time.
- E39.** For the purposes of Rules E37 and E38 a quorum exists at a meeting when sufficient persons to make up the quorum are:
- (a) Assembled together at the place fixed for the meeting; or
 - (b) Are linked by means of audio or audio and visual communication and can simultaneously hear each other; or

- (c) Any combination of paragraphs (a) and (b).

E40. Subject to these Rules, and any directions from the National Council each sub-committee may regulate its own procedures, including the ability to create working groups reporting to it on such issues as are necessary to advance the purposes of the sub-committee.

INTERESTS REGISTER

E41. The National Council must keep a register of any interest disclosures made by National Council Members under Rule E42.

E42. A National Council Member who is “interested” in a matter relating to *LGNZ* within the meaning of section 62 of the Act, must (except where section 72 of the Act applies to the interest) disclose details of the nature and extent of the interest (including any monetary value of the interest if it can be quantified):

- (a) to the National Council; and
- (b) in the interests register kept under Rule E41,

as soon as practicable after the National Council Member becomes aware that they are “interested” in that matter.

E43. For the purposes of section 62(2)(d) of the Act, the following are not “interests” when paid to an officer:

- (a) reasonable expenses legitimately incurred on behalf of *LGNZ* or

while pursuing LGNZ's purposes (whether the officer in question is a Member or not); and

- (b) salary, wages, or other payments for services on "arm's-length terms" as defined in section 24(3) of the Act (whether the officer in question is a Member or not).

F PRESIDENT AND VICE PRESIDENT

ELECTION OF PRESIDENT

- F1.** The President must be elected by ballot of Member Authorities in accordance with these Rules at the Annual General Meeting in the year following the year in which triennial local government elections are held.
- F2.** Any person who is an Elected Member at the close of nominations for the role of President is qualified to be elected to the office of President and holds the office in accordance with these Rules.
- F3.** The election for President must be conducted in accordance with the Preferential Voting System set out in these Rules.
- F4.** For the purpose of the Preferential Voting System set out in these Rules,

ABSOLUTE MAJORITY OF VOTES, in relation to a candidate, is the number of votes which is greater than one-half of the total number of votes other than non-transferable and informal votes.

NON-TRANSFERABLE VOTE means a voting form on which no second or consecutive preference is recorded for an unexcluded candidate, and non-transferable has a corresponding meaning.

F5. Each Member Authority has the number of votes as set out in Rule H1. Each vote is transferable.

F6. Each Member Authority exercises its vote:

(a) By marking on the voting form the number "1" in the box next to the name of the candidate who is the Member Authority's first preference; and

(b) By marking on the voting form further consecutive numbers in descending order of preference in any or all of the remaining boxes next to the names of the remaining candidates (for example, "2" for the Member Authority's second preference, and "3" for the Member Authority's third preference and so on).

F7. The number of first preferences recorded for each candidate must be counted and all informal voting forms must be rejected.

F8. The candidate who obtains an absolute majority of votes is elected.

F9. If no candidate has an absolute majority of votes, the candidate who has the fewest votes is to be excluded and each voting form counted to that candidate, unless

non-transferable, must be counted to the unexcluded candidates next in the order of the Member Authority's preference.

- F10.** The process in Rule F9 must be repeated until one candidate has an absolute majority of votes.
- F11.** In this Preferential Voting System, a vote must be set aside as informal if:
- (a) The figure "1" standing alone is not placed so as to indicate a first preference for a candidate; or
 - (b) At the point at which (and not before) the same preference is set opposite the name of more than one candidate; or
 - (c) Rule H20 applies; or
 - (d) The voting form is unmarked or void for uncertainty.
- F12.** For the purpose of these Rules,
- (a) Every voting form not rejected as informal must be counted in every count until it becomes non-transferable when it must be rejected in all further counts; and
 - (b) If a candidate is excluded, any voting form counted to the candidate is non-transferable if there is not indicated on it a consecutive preference for 1 or more unexcluded candidates.

- F12A.** For the avoidance of doubt, for the purposes of Rules F4 – F12, a voting form includes any electronic means of casting a vote.
- F13.** If, on any count, two or more candidates have an equal number of votes and one or more of them has to be excluded, the candidate or candidates to be excluded must be decided by the drawing of lots under a procedure supervised by the Chief Executive.
- F14.** A person elected to the office of President in accordance with Rules F1 to F16 assumes office immediately upon the declaration of the closure of the Annual General Meeting at which that person is elected, and subject to Rules F20, and F27 to F32 holds office until a successor assumes office.
- F15.** No person may hold office as President for more than three consecutive terms, provided that any person who holds office as President by virtue of an appointment in accordance with Rules F27 to F32 is eligible for re-election at the end of the unexpired term of office of that person's predecessor. For the avoidance of doubt, a term under this Rule does not include any period of office held by a President by virtue of an appointment in accordance with Rules F27 to F32.
- F16.** The President is a National Council Member solely by right of holding the office of President. Where the person elected is already a National Council Member, the vacancy that is created must be filled in accordance with Rules E12 to E17.

CONFIDENCE IN PRESIDENT

- F17.** A motion that the President must vacate office may be moved only at:
- (a) A Special General Meeting called in accordance with Rule G7, for the purpose of moving that motion; or
 - (b) An Annual General Meeting where the requirements of Rules F18 and F19 have been met.
- F18.** Member Authorities may petition the Chief Executive to include in the business of the Annual General Meeting a motion that the President must vacate office. Rules G9 to G11 apply to the petition. The Chief Executive must receive the petition at least 21 days before the date of the Annual General Meeting.
- F19.** If the requirements of Rule F18 have been met, the Chief Executive must ensure that the motion is included on the agenda of the Annual General Meeting. Notice of the motion must be included in the notice of business that must be given to each member authority under Rule G5.
- F20.** At the Special General Meeting or the Annual General Meeting, the motion that the President must vacate office will be carried if there is simple majority of votes cast in favour of the motion. On the declaration that the motion is carried:

- (a) The President is deemed to have resigned immediately on that declaration; and
- (b) Rules F28 and F29 apply as if there were a vacancy in the office of President.

ELECTION OF VICE-PRESIDENT

- F21.** The Vice-President must be elected by ballot of Member Authorities in accordance with these Rules at the Annual General Meeting in the year following the year in which triennial local government elections are held.
- F22.** Any person (other than the President) holding office as a National Council Member at the time at which the election for Vice-President is held, is qualified to be elected to the office of Vice-President.
- F23.** The election for Vice-President must be conducted in accordance with the Preferential Voting System used for the election of the President as set out in Rules F4 to F13.
- F24.** A person elected as Vice-President in accordance with Rules F21 to F23 assumes office immediately upon the declaration of the closure of the Annual General Meeting at which that person is elected, and, subject to Rules F37 to F41, holds office until a successor assumes office.
- F25.** Subject to Rules E12 to E17 and F37 to F41, any person elected to the office of Vice-President continues to hold office as a National Council Member representing the

Zone or Sector Group by which that person was appointed.

- F26.** Any person may hold office as Vice-President for as many consecutive terms as that person may be elected to the National Council.

VACANCY IN THE OFFICE OF PRESIDENT

- F27.** If any person holding office as President:

- (a) Resigns from that office by giving written notice to that effect to the Chief Executive; or
- (b) Ceases to hold office as an elected member for any reason;

the office immediately becomes vacant except that a President who ceases to be an Elected Member by not standing for election, or failing to win election, at a triennial local government election continues to hold office as President as provided in Rule F14 until the new President assumes office under Rule F14.

- F28.** In the event of a vacancy occurring in the office of President within 24 months after the person assumed that office in terms of Rule F14,

- (a) Rule F34 applies; and
- (b) A ballot must be held, subject to Rule F30, as soon as practicable to elect an Elected Member to the vacant office of President.

F29. In the event of a vacancy occurring in the office of President in any other case, Rule F35 applies.

F30. All the provisions of Rules F1 to F16 apply, with any necessary modifications, to any ballot held under Rule F28, subject to the following:

(a) The close of nominations is at a date and time nominated by the Chief Executive being not less than four weeks nor more than six weeks after the vacancy arises; and

(b) Any person who is an Elected Member at the close of nominations is qualified to be elected to the office of President; and

(c) No voting form is valid unless signed by the Mayor or Chairperson of the Member Authority, or in that person's absence by the Deputy Mayor or Deputy Chairperson, or in that person's absence by the chief executive provided that no person (other than the Mayor or Chairperson) may sign the voting paper unless authorised to do so by the Mayor or Chairperson or by a resolution of the Member Authority;

(d) Completed voting forms must be returned to the Chief Executive not later than a date and time determined by the Chief Executive

being not less than four weeks and not more than six weeks after the close of nominations; and

- (e) The person elected assumes office immediately on the declaration of the result of the election.

F30A For the avoidance of doubt, for the purposes of Rule F30, a voting form includes any electronic means of casting a vote.

F31. Where the filling of any vacancy in the office of President creates a vacancy on the National Council, that vacancy must be filled in accordance with Rules E12 to E17.

F32. Any person elected under Rule F28 holds office only for the unexpired portion of the term of office of that person's predecessor.

ACTING PRESIDENT

F33. The Vice-President is the Acting President for any period during which the President:

- (a) Is overseas; or
- (b) Is unable to undertake the duties of office; or
- (c) Is on leave approved by the National Council.

F34. In the event of a vacancy occurring in the office of President within 24 months after the person assumed that office in terms of Rule F14, the Vice-President is the Acting President until a ballot is held as set out in

Rule F28 and a new President has assumed office in accordance with Rule F30(e).

- F35.** In the event of a vacancy occurring in the office of President in any other case, the Vice-President is the Acting President until a new President is elected in accordance with Rules F1 to F16.
- F36.** If there is, at the same time, a vacancy in the office of President and a vacancy in the office of Vice-President within 24 months of the President and Vice-President assuming office in terms of Rule F14 and Rule F24, the National Council must appoint a National Council Member to be Acting President until a ballot is held as set out in Rule F28 and a new President has assumed office in accordance with Rule F30(e).
- F37.** No vacancy occurs on the National Council by reason of the Vice-President being the Acting President, or by reason of a National Council Member being the Acting President in accordance with Rule F36.

VACANCY IN THE OFFICE OF VICE-PRESIDENT

- F37.** If any person holding office as Vice-President -
 - (a) Resigns from the National Council or from the office of Vice-President by giving written notice to that effect to the Chief Executive; or
 - (b) Ceases to hold office as an elected member;

the office immediately becomes vacant.

- F38.** In the event of a vacancy occurring in the office of Vice-President within 24 months after the person assumed that office in terms of Rule F24, a ballot must be held, subject to Rule F40, as soon as practicable to elect a National Council Member to the vacant office of Vice-President.
- F39.** In the event of a vacancy occurring in the office of Vice-President in any other case, the National Council must appoint a National Council Member to the vacant office of Vice-President.
- F40.** Rule F23 applies, to any ballot held under Rule F38, subject to the following:
- (a) The close of nominations is at a date and time nominated by the Chief Executive being not less than four weeks nor more than six weeks after the vacancy arises;
 - (b) Completed voting forms must be returned to the Chief Executive not later than a date and time determined by the Chief Executive being not less than four weeks and not more than six weeks after the close of nominations; and
 - (c) No voting form is valid unless signed by the Mayor or Chairperson of the Member Authority, or in that person's absence by the Deputy Mayor or Deputy Chairperson, or in that person's absence by the chief executive provided that no person

(other than the Mayor or Chairperson) may sign the voting paper unless authorised to do so by the Mayor or Chairperson or by a resolution of the Member Authority; and

- (d) The person elected assumes office immediately on the declaration of the result of the election.

F40A. For the avoidance of doubt, for the purpose of Rule F40, a voting form includes any electronic means of casting a vote.

F41. Any person elected under Rule F38 or appointed under Rule F39 holds office only for the unexpired portion of the term of office of that person's predecessor.

G ANNUAL AND SPECIAL GENERAL MEETINGS

ANNUAL GENERAL MEETING

G1. An Annual General Meeting of Member Authorities must be held on or before the 31st day of July in each year (not later than 15 months after the previous Annual General Meeting) at such time and place that is fixed by *LGNZ* and notified to Members in accordance with these Rules.

G2. The following business is to be conducted at the Annual General Meeting, but in such order as is determined by the National Council or the President:

- (a) President's Report and Annual Report;

- (b) Financial Statements and Annual Statement of Accounts;
- (c) Subject to Rule G3, remits or reports from Zones or Sector Groups or Member Authorities;
- (ca) Fixing honoraria, if any, for the President, Vice-President, and National Council Members;
- (d) Date and venue of next Annual General Meeting and any future Special General Meetings that may have been determined by the National Council;
- (e) Any notice or notices of motion to alter, add to, rescind or otherwise amend the Rules of LGNZ;
- (f) Notice of the disclosures, or types of disclosures, made under section 63 (disclosure of interests) of the Act and Rule E42 since the last Annual General Meeting (including a brief summary of the matters, or types of matters, to which those disclosures relate);
- (g) Any other business that the National Council or the Annual General Meeting resolves to be considered.

G3. Where any Zone or Sector Group or Member Authority wishes to bring any remit or report before the Annual General Meeting for discussion, the remit or report must be forwarded to the Chief Executive not less than two months before the date

of the meeting; however the National Council has a discretion to accept late remits or reports if received less than two months before the date of the meeting.

- G4.** Remits, reports and other matters approved by the National Council for consideration at the Annual General Meeting must be placed on the meeting agenda.
- G5.** Not later than 10 working days before the date of the Annual General Meeting, notice of the time and place of the meeting and the business to be considered together with all reports and statements referred to in Rule G2 must be provided to each Member Authority.
- G6.** A report of the proceedings of the Annual General Meeting must be provided to each Member Authority.

SPECIAL GENERAL MEETING

- G7.** A Special General Meeting of *LGNZ* to discuss any issue of relevance to Members may be called:
 - (a) By the National Council under Rule G8; or
 - (b) By the Chief Executive under Rule G12.
- G7A.** A Special General Meeting of *LGNZ* to discuss any matter of relevance to Members must be called if 50% or more of the National Council Members are prevented from voting on a matter

because they are “interested” in that matter, as set out in Rule E25.

- G8.** The National Council may call a Special General Meeting of *LGNZ* at any time. However, any such Special General Meeting may only be held when notice of the meeting, the venue and the business to be considered has been given to each member authority at least five working days before the date of the meeting.
- G9.** Member Authorities may petition the Chief Executive to call a Special General Meeting of *LGNZ*. The petition must:
- (a) Subject to Rules G10 and H4, be signed by Member Authorities representing one third or more of the voting entitlement of all Member Authorities as set out in Rule H1; and
 - (b) State the issue or issues to be addressed at the Special General Meeting.
- G10.** No Member Authority may sign the petition unless it has passed a resolution to that effect. A copy of the resolution must be sent to the Chief Executive with the petition. The Member Authorities petitioning the Special General Meeting must be from more than one Sector Group and from more than one Zone.
- G11.** On receiving the petition, the Chief Executive must give notice to all Member Authorities that he or she has received the petition together with a copy of the petition.

G12. If the Chief Executive is satisfied that the requirements of Rules G9 and G10 have been met, the Chief Executive must:

- (a) Call a Special General Meeting to be held within 4 weeks after the date on which the Chief Executive received the petition; and
- (b) Determine the time and venue of the meeting; and
- (c) Give notice of the meeting, the venue, and the business to be considered to each Member Authority at least five working days before the date of the meeting.

DELEGATES

G13. At the Annual General Meeting and Special General Meetings, Member Authorities admitted to membership under Rule C1 are entitled to representation as follows:

- (a) Member Authorities (other than Regional Councils) having populations of 50,000 or over - not more than 4 delegates;
- (b) Member Authorities (other than Regional Councils) having populations of 10,000 or over and less than 50,000 - not more than 3 delegates;
- (c) Member Authorities (other than Regional Councils) having

populations of less than 10,000 -
not more than 2 delegates;

(d) Regional Councils having
populations of 250,000 or over -
not more than 4 delegates;

(e) Regional Councils having
populations of 100,000 or over
and less than 250,000 - not more
than 3 delegates;

(f) Regional Councils having
populations of less than 100,000 -
not more than 2 delegates.

G14. At the Annual General Meeting and Special General Meetings, associate members admitted to membership under Rule C2 are entitled to be represented by not more than 2 delegates, unless otherwise determined by the National Council under Rule C3(b).

G15. Every Member Authority must appoint one of its delegates as its presiding delegate and may appoint one or more alternate delegates; provided that the number of alternate delegates does not exceed the number of delegates appointed.

G16. The chief executive, Mayor or Chairperson of each Member Authority, shall forward to the Chief Executive the name and official position of the presiding delegate, other delegates and all persons appointed by that Member Authority as an alternate for any delegate who may be absent from the floor of the meeting.

G17. In Rules G13 to G16 the term "delegate" includes both an Elected Member and an officer of a Member Authority and may include the National Council Members.

G17A. For the avoidance of doubt, for the purpose of Rules G13 to G17, the names of delegates may be provided to the Chief Executive in electronic form.

PROXIES

G18. At any Annual General Meeting or Special General Meeting, the votes provided for in Part H may be exercised by a Member Authority by proxy in accordance with this Rule.

G19. The provisions of Part H apply, with any necessary modifications, to any person who is a proxy of a Member Authority as though that person was a delegate of the Member Authority.

G20. Proxies must be appointed in writing in this form or a similar form (which for the purposes of this Rule includes any electronic form):

NEW ZEALAND LOCAL GOVERNMENT ASSOCIATION INCORPORATED

The _____ Council, a member
authority of *Local Government New*
Zealand, appoints _____ of

or failing him/her
of _____
as its proxy to vote on its behalf at the
Annual General Meeting or Special General
Meeting of *Local Government New*

Zealand, to be held on the day
of 20 and at any
adjournment thereof.

SIGNED this day
of 20
by

Signature

Name

Designation

who, by signing this proxy confirms that he
or she is entitled to do so.

G21. Any instrument appointing a proxy
appearing to be executed in accordance
with these Rules, including any electronic
instrument, must, in the absence of
evidence to the contrary, be treated as
valid.

G22. No instrument creating a proxy is valid
unless:

(a) It is provided to *LGNZ* at least
48 hours before the time at which
the Annual General Meeting or
Special General Meeting is to
commence, or

(b) A motion is passed at the meeting
to accept it.

CHAIR

G23. The President shall preside at the Annual
General Meeting and any Special General
Meeting. If the President is absent then the

meeting must, by resolution, appoint a Chair, and the Chief Executive or the Chief Executive's nominee must preside at the meeting for the purposes of making such appointment.

- G24.** The President or the Chair of the meeting has the power to propose or second any motion even though the President or the Chair, may not be a delegate of a Member Authority.

QUORUM

- G25.** Subject to Rule G23, at the Annual General Meeting, a Special General Meeting or at a Zone or Sector Group meeting, a quorum consists of one half the total number of Member Authorities entitled to be represented and vote when that number is even, and a majority of such Member Authorities when the number is odd.
- G26.** If a quorum is not present within one hour of the time fixed for the meeting, the meeting will lapse. If the meeting ceases to have a quorum for any period, no business may be conducted during that time.
- G27.** For the purpose of calculating whether or not a quorum is present at any Annual General Meeting or Special General Meeting, member authorities whose voting at the meeting will be by proxy are to be treated as being present.

CONDUCT OF MEETINGS

- G29.** Subject to the requirements of these Rules, the Annual General Meeting or any Special General Meeting or Zone or Sector Group

meeting may by resolution fix rules of debate and rules for the conduct of the meeting. Subject to any such resolution, a ruling of the President or Chair (as the case may be) on any point of order is final and conclusive.

MINUTES

- G30.** Minutes must be kept of all General Meetings.

RESOLUTIONS IN LIEU OF MEETING

- G31.** A resolution in writing signed or consented to by post, email, or other electronic means by such number of Member Authorities who together represent both:

- (a) 75% of the number of Member Authorities entitled to vote; and
- (b) 75% of the total voting pool that would be available on the matter as calculated under Rule H1 as if the resolution was put to a Special General Meeting at which all Member Authorities were represented,

is valid as if it had been passed at a General Meeting, provided the requirements under sections 89 to 92 of the Act are complied with. Any resolution may consist of several documents in the same form each signed by one or more Member Authorities.

- G32.** A proposed resolution in writing will lapse if it is not passed in accordance with Rule G31 within 1 month of the date on which it is first sent to Member Authorities.

H VOTING AND ELECTIONS

VOTING

H1. Subject to Rules H3 to H5, at the Annual General Meeting, and any Special General Meeting, or Zone or Sector Group meeting, or for the purposes of any petition under Rule G9, Member Authorities admitted to membership under Rule C1 are entitled to vote as follows:

- (a) Member Authorities having an annual subscription of \$100,000 or over – 6 votes plus 1 vote for every \$20,000 increment (in whole) in excess of \$100,000:
- (b) Member Authorities having an annual subscription of \$80,000 to \$99,999 – 6 votes:
- (c) Member Authorities having an annual subscription of \$50,000 to \$79,999 – 5 votes:
- (d) Member Authorities having an annual subscription of \$30,000 to \$49,999 – 3 votes:
- (e) Member Authorities having an annual subscription of \$20,000 to \$29,999 – 2 votes:
- (f) Member Authorities having an annual subscription of less than \$20,000 – 1 vote.

H2. At the Annual General Meeting, any Special General Meeting, or any Zone or Sector Group meeting, persons or organisations

admitted to associate membership under Rule C2 are not entitled to vote.

H3. No Member Authority whose annual subscription is in arrears is entitled to vote at any Annual General Meeting or Special General Meeting or at any Zone or Sector Group meeting or by ballot involving elections to the National Council, until the arrears are paid.

H4. With respect to a petition under Rule G9:

(a) No associate member admitted to membership under Rule C2 is entitled to sign the petition unless the National Council has determined, in accordance with Rule C3 that associate members of that kind may sign the petition; and

(b) No Member Authority, or associate member whose annual subscription is in arrears is entitled to sign the petition.

H5. Subject to Part K, at any Annual General Meeting, Special General Meeting or Zone or Sector Group meeting resolutions are carried by a simple majority of votes.

H6. At any Annual General Meeting, Special General Meeting, or Zone or Sector Group meeting, in the event of an equality of votes (whether on a poll or otherwise), the President, or Chair as the case may be, has the casting vote.

H7. At any Annual General Meeting, Special General Meeting, or Zone or Sector Group

meeting, the manner of voting on any issue is determined by the Chair, provided that the Chair, any delegate or Member Authority may demand a poll and on the taking of a poll, each Member Authority present is entitled to vote in accordance with Rule H1.

H8. If a poll is taken at any Annual General Meeting, Special General Meeting, or Zone or Sector Group meeting each Member Authority must be provided with one voting form which must indicate the number of votes the Member Authority receiving it is entitled to exercise, and no Member Authority is entitled to divide its votes for and against the motion. No voting form is valid unless signed by the presiding delegate or notified alternate.

H9. A demand for a poll does not prevent the continuance of any Annual General Meeting or meeting for the transaction of any business, other than in respect of the question upon which the poll is demanded.

CONDUCT OF ELECTIONS – PRESIDENT AND VICE-PRESIDENT

H10. The ballots referred to in Part F must be conducted in accordance with Rules H11 to H24.

H11. The Chief Executive must act as Returning Officer and is responsible for the conduct of the elections in accordance with these Rules.

H12. Should any matter arise in the conduct of the elections which is not expressly provided for in these Rules, the Chief

Executive must determine the matter in his or her absolute discretion, but may be guided by the provisions of the Local Electoral Act 2001.

- H13.** All nominations must be in writing signed by the Mayor, Chairperson, Deputy Mayor, Deputy Chairperson, or Chief Executive of a Member Authority and must be seconded in writing on the same or another document by one of those office holders of another Member Authority.
- H14.** Nomination and seconding forms must be received by the Chief Executive not later than 31 May in the year in which the election is to be held.
- H15.** Any nomination signed in accordance with, and otherwise appearing to comply with these Rules is deemed to be valid for all purposes and *LGNZ* is not required to inquire into its validity for any purpose whatsoever.
- H15A.** Subject to the requirements of Rules H13 to H15, for the avoidance of doubt, nomination and seconding forms may be provided in electronic form.
- H16.** If only one nomination is received for the office of President by the time nominations close, the person nominated is immediately deemed to be elected and must be declared President-elect by the Chief Executive. If no nominations are received by the date nominations close, then the National Council must meet as soon as practicable to determine how the office may be filled and has full power to decide on the procedures

to apply to ensure that the office of President is filled.

H17. If only one nomination is received for the office of Vice-President by the time nominations close, the person nominated is immediately deemed to be elected and must be declared Vice-President elect by the Chief Executive. If no nominations are received by the date nominations close, then the National Council has the power to fill the vacancy on the next occasion it meets after the vacancy has occurred.

H18. On the close of nominations the Chief Executive must prepare, for each member authority, voting forms listing the validly nominated candidates to be distributed at the Annual General Meeting. A list of the validly nominated candidates for each office and any biographical material (which may include a photograph and not more than 150 words) provided by the candidates for distribution must be distributed with the Annual General Meeting papers.

H19. At any Annual General Meeting at which the election of the President is to occur, voting forms for the election of the Vice-President may not be issued and that election may not take place until the result of the election of the President has been declared.

H20. No voting form is valid unless signed by the presiding delegate or notified alternate.

H21. [Revoked]

- H22.** Duly completed voting forms must be returned to the Chief Executive, or to any scrutineers appointed by the Chief Executive at the Annual General Meeting, not later than the close of voting.
- H23.** As soon as practicable after the close of voting the Chief Executive must declare the result of the election to the Annual General Meeting.
- H24.** As soon as practicable after any election, the Chief Executive must on the motion of the Annual General Meeting or the National Council destroy the voting forms.
- H25.** For the avoidance of doubt, for the purposes of Rules H18 to H24 any reference to voting form includes any electronic means of voting.

I MANAGEMENT

- I1.** The National Council shall appoint a Chief Executive for such remuneration and on such terms and conditions as it thinks fit, and may terminate or suspend the employment of any Chief Executive so appointed by it, subject to the law and any conditions agreed to in the Chief Executive's employment agreement.
- I2.** The Chief Executive is responsible to the National Council for employing, on its behalf, the staff of *LGNZ* and negotiating the terms of their appointment and may, subject to the law and any conditions in an employment agreement applying to an employee, remove or suspend any employee from his or her employment.

- 13.** The Chief Executive is responsible to the National Council for the administration of the affairs of *LGNZ* in accordance with policies or directions resolved from time to time by *LGNZ* or the National Council.
- 14.** The Chief Executive has such additional specific powers and authorities as are delegated by the National Council from time to time, including the power to subdelegate. The Chief Executive may also delegate to any officer or employee of *LGNZ* any of the powers, functions and duties conferred upon the Chief Executive under these Rules, including from time to time appointing an Acting Chief Executive for such period and on such terms as it thinks fit, to carry out the powers, functions and duties of the Chief Executive during any absence of the Chief Executive.
- 15.** The National Council may, from time to time, appoint an Acting Chief Executive for such period and on such terms as it thinks fit, to carry out the powers, functions and duties of the Chief Executive during any vacancy in that office.

J FINANCIAL MANAGEMENT

FINANCIAL YEAR

- J1.** The financial year of *LGNZ* commences on the first day of April in each year and closes on the following Balance Date.

SUBSCRIPTIONS

- J2.** From time to time, the National Council may by resolution, prescribe the subscriptions, fees or other payments,

annual or otherwise, to be paid by Member Authorities and associate members, and, subject to Rule J4, the time and manner of payment of any such subscriptions, fees, or payments.

- J3.** Any resolution may prescribe different subscriptions, fees or other payments for different Member Authorities or associate members, or classes of Member Authorities, or associate members and provide for exemptions of any subscription, fee or other payment.
- J4.** The annual subscription is payable in the month of April in the financial year to which it relates.

CONTROL AND USE OF FUNDS

- J5.** All moneys received by or on behalf of *LGNZ* must be banked immediately in suitable bank accounts in the name of *LGNZ* (or in the case of a trust account, in such name as clearly identifies the trust) and all cheques or other payment on such accounts must be signed by not less than two signatories from a list of signatories approved by the National Council (or by the trustees) and must be passed for payment or confirmed by the National Council (or as the case may be by the trustees).

INCOME AND PROPERTY

- J6.** Subject to Rules L9 to L11, the income and property of *LGNZ* must be applied towards the promotion of its objects, and no portion may be paid or transferred directly or indirectly to any Member Authority or associate member; provided that *LGNZ* may

in good faith, pay to a National Council Member, other member or officer of a Member Authority or associate member, or any other body, corporation or person, any or all of the following as may be decided, by the National Council or, acting under delegation, by the Chief Executive:

- (a) Remuneration for services rendered or payment for goods supplied;
- (b) Honoraria, except for the President, Vice-President and National Council Members, and annual, daily, and incidental allowances and out of pocket expenses (including travel and accommodation allowances) incurred in any manner in the reasonable and proper conduct of the affairs of *LGNZ*.

AUDITOR

- J7.** In accordance with the Public Audit Act 2001, the auditor of *LGNZ* is the Auditor-General and the provisions of the Public Audit Act 2001 apply to the audit of the financial statements of *LGNZ*.

INDEMNITY AND INSURANCE

- J8.** *LGNZ* indemnifies each of its current and former National Council Members, other officers and employees of *LGNZ* for all liability and costs to the maximum extent permitted under section 96 of the Act.
- J9.** With the prior approval of the National Council, *LGNZ* may effect insurance for its

current and former National Council Members, other officers and employees of *LGNZ* as permitted in section 97 of the Act. The National Council Members who vote in favour of authorising the insurance must sign a certificate stating that, in their opinion, the cost of effecting the insurance is fair to *LGNZ*.

J10. *LGNZ* is authorised, but not required, to indemnify a National Council Member, other officer or employee of *LGNZ* or effect insurance for such persons for the following matters:

- (a) liability (other than criminal liability) for a failure to comply with a duty under sections 54 to 61 of the Act or any other duty imposed on the National Council Member in their capacity as an officer under the Act; and
- (b) costs incurred by the National Council Member for any claim or proceeding relating to that liability.

K ALTERATION OF THE RULES

K1. A change to these Rules may be initiated by:

- (a) A resolution of the National Council; or
- (b) A Member Authority giving more than one month's notice to *LGNZ* before the Annual General Meeting or any Special General Meeting called for the purpose of discussing changes to the Rules.

- K2.** In all cases, written notice of the proposal to change the Rules must be given to every Member Authority at least 10 working days before the Annual General Meeting or the Special General Meeting.
- K3.** Every proposal to change the Rules must clearly identify the words to be deleted from the Rules and any words to be added to the Rules.
- K4.** At a meeting at which the motion to change the Rules is considered:
- (a) Any motion to amend a motion to change the Rules may be passed by a simple majority; but
 - (b) Any motion to change the Rules must be passed by resolution of a two-thirds majority of the valid votes cast.
- K5.** If an amendment to these Rules would have no more than a minor effect or is to correct errors or make similar technical alterations, the National Council may give notice of the amendment to every Member stating the text of the amendment and the right of Members to object to the amendment. If the National Council does not receive any objections from Members within 20 working days after the date on which the notice is sent, or any longer period of time that the National Council decides, the National Council may make that amendment. If it does receive an objection, the National Council may not make the amendment.

K6. Every amendment to these Rules made pursuant to this Rule must be in writing.

L MISCELLANEOUS

METHOD OF CONTRACTING

L1. A contract or other enforceable obligation may be entered into by *LGNZ* as follows:

(a) an obligation that, if entered into by a natural person, would, by law, be required to be by deed, may be entered into on behalf of *LGNZ* in writing signed under the name of *LGNZ* by:

(i) 2 or more National Council Members; or

(ii) a National Council Member, or other person or class of persons authorised by resolution of the National Council, whose signature or signatures must be witnessed;

(b) an obligation that, if entered into by a natural person, is, by law, required to be in writing, may be entered into on behalf of *LGNZ* in writing by a person acting under *LGNZ's* express or implied authority; or

(c) an obligation that, if entered into by a natural person, is not, by law, required to be in writing, may be entered into on behalf of *LGNZ* in

writing or orally by a person acting under *LGNZ's* express or implied authority.

- L2.** *LGNZ* may (but need not), in addition to complying with the other provisions of this Rule L1, affix its common seal, if it has one, to the contract or document containing the enforceable obligation.

NOTICE

- L4.** Any notice to be given to, or any document to be deposited with *LGNZ or the Chief Executive*, is to be regarded as given or deposited when received at the registered office of *LGNZ*; or if posted then three days after being posted to the usual postal address of *LGNZ*, or if sent electronically at the time that the notice arrives in the inbox of the Chief Executive's email address.
- L5.** Any notice to a Member Authority or associate member is to be regarded as given when received at the principal office of the Member Authority or associate member or three days after being posted to the usual postal address of the member authority or associate member or if sent electronically at the time that the notice arrives in the inbox of an appropriate email address for the Member Authority or associate member.
- L6.** In Rules L4 and L5 "received" includes received by facsimile or electronic means during ordinary business hours or if received outside those hours then at 9:00am on the next business day.

- L7.** No notice is to be regarded as having been given or received if in accordance with the usual protocols of that kind of notice, the sender has been notified of a failure of delivery.
- L8.** An inadvertent, unintentional, failure to give any notice required by these Rules to be given to a Member Authority, associate member, the Chief Executive, or any other person does not invalidate the doing of any thing or the election of any person in respect of which the notice was required.

CONTACT PERSON

- L8A.** At all times, the Chief Executive shall serve as a Contact Person for *LGNZ*.
- L8B.** Without limiting Rule L8A, the National Council may, by resolution, appoint 2 further Contact Persons in addition to the Chief Executive.
- L8C.** In the event that there is a vacancy in the position of Chief Executive and *LGNZ* has no other Contact Person, the Contact Person shall be the Acting Chief Executive appointed in accordance with Rule 15 until such time that a new Chief Executive is appointed. If there is no Acting Chief Executive at the relevant time, the National Council shall appoint a replacement Contact Person within twenty working days after the vacancy occurs and ensure that notice of the change is sent to the Registrar of Incorporated Societies in accordance with the Act, such Contact Person to remain the Contact Person until the role of Chief Executive is filled.

LIQUIDATION AND REMOVAL

- L9.** *LGNZ* may be voluntarily wound up or removed from the Register of Incorporated Societies in accordance with the provisions of the Act.
- L9A.** *LGNZ* may be placed into liquidation in accordance with the provisions of the Act.

DISTRIBUTION OF SURPLUS ASSETS ON LIQUIDATION OR REMOVAL

- L10.** In the event of *LGNZ* being wound up, liquidated, or removed from the Register of Incorporated Societies under Rule L9 or L9A:
- (a) no distribution shall be made to any Member; and
 - (b) if any property remains after the settlement of *LGNZ's* debts and liabilities (**surplus assets**), those surplus assets must be transferred to one or more not-for-profit entities (as that term is defined in section 5(3) of the Act) in New Zealand which support the interests of Local Authorities and local communities.
- L11.** Any meeting called for the purpose of considering a winding up resolution pursuant to Subpart 1 of Part 5 of the Act must have placed before it any proposal or recommendation of the National Council relating to the not-for-profit entity or entities it recommends for disposition of the surplus assets of *LGNZ* in accordance with Rule L10, and the surplus assets shall

be distributed to the entities selected from the National Council recommendation as specified in an ordinary resolution of Members entitled to vote and voting.

M TRANSITION

M1. On the date that these Rules are registered under the Act, unless the context otherwise requires:

- (a) all Members under LGNZ's previous Rules continue to be Members;
- (b) all Members continue to be Members in the same category of membership as they were in under LGNZ's previous Rules;
- (b) the National Council Members under LGNZ's previous Rules continue as National Council Members under these Rules, as if they had been elected or appointed under these Rules at the time that they were appointed under the previous Rules;
- (d) any other officer, auditor or other appointee appointed under the previous Rules will continue in the relevant role under these Rules, as if they had been appointed under these Rules at the time that they were appointed under the previous Rules; and
- (e) all other things done or in process, including all contractual and other arrangements entered into, all

decisions and appointments made, any guidelines and other policies adopted, and any proceedings commenced under the previous Rules remain valid and effective and, if applicable, may be continued and completed under these Rules.

N DISPUTE RESOLUTION

DEFINITIONS

N1. In this Rule N:

- (a) “dispute” has the meaning given to that term in the Act;
- (b) “member” means Member, as that term is defined in these Rules;
- (c) “officer” means a National Council Member, as that term is defined in these Rules;
- (d) “committee” means National Council, as that term is defined in these Rules; and
- (e) “society” means *LGNZ*.

HOW COMPLAINT IS MADE

N2. A member or an officer may make a complaint by giving to the committee (or a complaints subcommittee established by the National Council for this purpose) a notice in writing that—

- (a) states that the member or officer is starting a procedure for resolving a dispute in accordance

with the society's constitution;
and

- (b) sets out the allegation to which the dispute relates and whom the allegation is against; and
- (c) sets out any other information reasonably required by the society.

N3. The society may make a complaint involving an allegation against a member or an officer by giving to the member or officer a notice in writing that—

- (a) states that the society is starting a procedure for resolving a dispute in accordance with the society's constitution; and
- (b) sets out the allegation to which the dispute relates.

N4. The information given under Rules N2(b) and N3(b) must be enough to ensure that a person against whom an allegation is made is fairly advised of the allegation concerning them, with sufficient details given to enable them to prepare a response.

N5. A complaint may be made in any other reasonable manner permitted by the society's constitution.

PERSON WHO MAKES COMPLAINT HAS RIGHT TO BE HEARD

N6. A member or an officer who makes a complaint has a right to be heard before the complaint is resolved or any outcome is determined.

N7. If the society makes a complaint,—

- (a) the society has a right to be heard before the complaint is resolved or any outcome is determined; and
- (b) an officer may exercise that right on behalf of the society.

N8. Without limiting the manner in which the member, officer, or society may be given the right to be heard, they must be taken to have been given the right if—

- (a) they have a reasonable opportunity to be heard in writing or at an oral hearing (if one is held); and
- (b) an oral hearing is held if the decision maker considers that an oral hearing is needed to ensure an adequate hearing; and
- (c) an oral hearing (if any) is held before the decision maker; and
- (d) the member's, officer's, or society's written statement or submissions (if any) are considered by the decision maker.

PERSON WHO IS SUBJECT OF COMPLAINT HAS RIGHT TO BE HEARD

N9. This Rule applies if a complaint involves an allegation that a member, an officer, or the society (the **respondent**)—

- (a) has engaged in misconduct; or
- (b) has breached, or is likely to breach, a duty under the society's constitution or bylaws or this Act; or
- (c) has damaged the rights or interests of a member or the rights or interests of members generally.

- N10.** The respondent has a right to be heard before the complaint is resolved or any outcome is determined.
- N11.** If the respondent is the society, an officer may exercise the right on behalf of the society.
- N12.** Without limiting the manner in which a respondent may be given a right to be heard, a respondent must be taken to have been given the right if—
- (a) the respondent is fairly advised of all allegations concerning the respondent, with sufficient details and time given to enable the respondent to prepare a response; and
 - (b) the respondent has a reasonable opportunity to be heard in writing or at an oral hearing (if one is held); and
 - (c) an oral hearing is held if the decision maker considers that an oral hearing is needed to ensure an adequate hearing; and
 - (d) an oral hearing (if any) is held before the decision maker; and
 - (e) the respondent's written statement or submissions (if any) are considered by the decision maker.

INVESTIGATING AND DETERMINING DISPUTE

- N13.** A society must, as soon as is reasonably practicable after receiving or becoming aware of a complaint made in accordance with its constitution, ensure that the dispute is investigated and determined.

N14. Disputes must be dealt with under the constitution in a fair, efficient, and effective manner.

SOCIETY MAY DECIDE NOT TO PROCEED FURTHER WITH COMPLAINT

N15. Despite Rules N13 and N14, a society may decide not to proceed further with a complaint if—

- (a) the complaint is trivial; or
- (b) the complaint does not appear to disclose or involve any allegation of the following kind:
 - (i) that a member or an officer has engaged in material misconduct:
 - (ii) that a member, an officer, or the society has materially breached, or is likely to materially breach, a duty under the society's constitution or bylaws or this Act:
 - (iii) that a member's rights or interests or members' rights or interests generally have been materially damaged:
- (c) the complaint appears to be without foundation or there is no apparent evidence to support it; or
- (d) the person who makes the complaint has an insignificant interest in the matter; or
- (e) the conduct, incident, event, or issue giving rise to the complaint has already been investigated and

dealt with under the constitution;
or

- (f) there has been an undue delay in making the complaint.

SOCIETY MAY REFER COMPLAINT

N16. A society may refer a complaint to—

- (a) a sub-committee or an external person to investigate and report;
or
- (b) a sub-committee, an arbitral tribunal, or an external person to investigate and make a decision.

N17. A society may, with the consent of all parties to a complaint, refer the complaint to any type of consensual dispute resolution (for example, mediation, facilitation, or a tikanga-based practice).

DECISION MAKERS

N18. A person may not act as a decision maker in relation to a complaint if 2 or more members of the committee or a complaints sub-committee consider that there are reasonable grounds to believe that the person may not be—

- (a) impartial; or
- (b) able to consider the matter without a predetermined view.

Appendix 4: Explainer of Officers under the ISA 2022

To Scott Necklen, Local Government New Zealand
From Simpson Grierson

16 April 2025

Subject Local Government New Zealand - Explanation and Overview of Incorporated Societies Act 2022 Key Requirements for Officers

Overview

In 2022, the Incorporated Societies Act 2022 (**2022 Act**) replaced the Incorporated Societies Act 1908 (**1908 Act**).

Local Government New Zealand (**LGNZ**) is a membership-based non-profit organisation that is currently registered under the 1908 Act and is in the process of re-registering under the 2022 Act.

This document sets out a general overview of the requirements for officers (ie “committee” members (for LGNZ, the “committee” is the National Council) and certain senior managers) under the 2022 Act and other key operational requirements.

This document is intended to be read in conjunction with changes proposed to LGNZ’s current Rules.

Summary of 2022 Act provisions about officers

1. Officers, qualifications and duties

(a) Definition of officer

An officer is defined in the 2022 Act as either:

- (i) a natural person who is a member of the committee of the society; or
- (ii) a natural person is occupying a position in the society that allows them to exercise significant influence over the management or administration of the society (for example, a treasurer or chief executive).

(b) Qualifications of officers

- (i) An officer must be a natural person, and they must consent to being an officer in writing. They must certify that they are not disqualified from being an officer according to the requirements set out in section 47 of the Act.
 - (ii) The disqualifying factors include being:
 - (A) under 16;
 - (B) an undischarged bankrupt;
-

- (C) prohibited from certain roles under the Companies Act 1993, Financial Markets Conduct Act 2013 or the Takeovers Act 1993;
 - (D) disqualified from being an officer of a charitable entity under the Charities Act 2005;
 - (E) convicted and sentenced of specified offences within the last seven years;
 - (F) subject to specific orders (such as a banning order);
 - (G) subject to similar orders or convictions in another country.
- (iii) The disqualifying factors will generally prevent a person from being an Officer, subject to limited exceptions in the Act.
 - (iv) A society's constitution can also set out additional disqualifying factors.
- (c) **Duties of officers**
- (i) Officers have various duties in the 2022 Act which broadly reflect the equivalent duties in the Companies Act 1993 for directors of boards.
 - (ii) These are:
 - (A) the duty to act in good faith and in what the officer believes to be the best interests of the society;
 - (B) the duty to exercise power for proper purpose;
 - (C) the duty not to contravene, or agree to the society contravening, the 2022 Act and the society's constitution;
 - (D) the duty to exercise powers or perform duties with the care and diligence that a reasonable person would, taking into account (without limitation) the nature of the society, the decision, and the officer's role and responsibilities;
 - (E) the duty not to agree to activities or cause or allow activities that are likely to create a substantial risk of serious loss to the society's creditors; and
 - (F) the duty to not agree to an obligation on the society's behalf, unless the officer reasonably believes that the society will be able to perform the obligation when required to do so.

- (iii) These duties are owed to the society as opposed to the society's members, meaning the society alone has the ability to take action against an officer for breach of these duties.
- (iv) Officers can rely on advice from employees or external advisers if the officer believes on reasonable grounds that the adviser is reliable and competent on the matter. The officer must act in good faith and have no knowledge that the reliance is unwarranted, and must make proper enquiry as to competence.

2. Conflicts of interest

(a) **Disclosure and management**

The 2022 Act also contains rules around conflicts of interest for officers which are again, broadly equivalent to those in the Companies Act 1993. By way of summary:

- (i) Officers have a duty to disclose any interests.
- (ii) The committee needs to keep and maintain an interests register for disclosures made by officers. Unlike the register of members, the obligation to maintain an interests register falls on the committee rather than the society generally.
- (iii) Where a committee member is conflicted on a matter, they cannot vote or sign documents in relation to the matter without permission from the committee. They may still take part in discussions of the committee, be present at the time of decision-making, and be counted for quorum purposes.
- (iv) If 50% or more of the members of the committee are prevented from voting on the matter due to a conflict of interest, a special general meeting of the society must be called to consider and determine the matter.
- (v) At each annual general meeting, the committee must present (amongst other things) notice of the disclosures, or types of disclosures, of conflicts of interest during the reporting period (including a brief summary of the matters, or types of matters, to which those disclosures relate).

(b) **What are "interests"?**

- (i) An officer is "interested" in a matter if they:
 - (A) may obtain a financial benefit from the matter; or
 - (B) are the spouse, civil union partner, de facto partner, child, parent, grandparent, grandchild, sibling, nephew, niece, uncle,

aunt, or first cousin of a person who may obtain a financial benefit from the matter; or

- (C) may have a financial interest in a person to whom the matter relates; or
- (D) are a partner, director, officer, board member, or trustee of a person who may have a financial interest in a person to whom the matter relates; or
- (E) are interested in the matter because the society's constitution so provides.

(ii) An officer is not "interested" in a matter:

- (A) merely because they receive an indemnity, insurance cover, remuneration, or other benefits authorised under this Act; or
- (B) if their interest is the same or substantially the same as the benefit or interest of all or most other members of the society due to the membership of those members; or
- (C) if their interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence them in carrying out their responsibilities under the 2022 Act or the society's constitution; or
- (D) if their interest is of a kind that is specified in the society's constitution for the purposes of this subsection (and in compliance with regulations, if any – none at present).

(c) **Avoidance of transactions**

Transactions by the society where an officer is interested can be avoided up to 3 months after the transaction is disclosed, unless the society receives fair value, subject to protections for good faith third party transactions.

3. Financial gain restrictions

(a) **Society cannot operate for financial gain**

- (i) Societies are not-for-profit entities and must not have the purpose of being carried on for the financial gain of any of their members.
- (ii) Accordingly, if any officers are also members, care must be taken when considering payments to them or transactions in which they have an interest. Note that this does not prevent officers from being remunerated (see paragraph (b) below).

- (iii) Subject to certain exceptions, a society is treated as breaching the financial gain restriction if:
 - (A) it distributes, or may distribute, any gain, profit, surplus, dividend, or other similar financial benefit to any of its members (whether in money or in kind); or
 - (B) it has, or may have, capital that is divided into shares or stock held by its members; or
 - (C) it holds, or may hold, property in which its members have a disposable interest (whether directly, or in the form of shares or stock in the capital of the society or otherwise).

(b) **Remuneration and expenses**

- (i) A key exception to the restriction described in section 3(a)(iii) is that it is still possible to reimburse officers who are members for their expenses and pay them arm's length remuneration, as follows:
 - (A) the society can reimburse a member for reasonable expenses legitimately incurred on behalf of the society or while pursuing the society's purposes;
 - (B) the society can pay a member a salary, wages, or other payments for services, or enter into any other transaction with a member, on arm's-length terms. Remuneration paid in this way is not an "interest" covered in section 2 above;
 - (C) the society can provide a member with incidental benefits (for example, trophies, prizes, or discounts on products or services) in accordance with the purposes of the society.
- (ii) Salary, wages, or other payments for services, or other transactions, are on **arm's-length terms** if:
 - (A) The terms:
 - A(i) would be reasonable in the circumstances if the parties were connected or related only by the transaction in question, each acting independently, and each acting in its own best interests; or
 - A(ii) are less favourable to the member than the terms referred to in paragraph (A) above.
 - (B) The salary, wages, or other payments for services, or other transaction, does/do not include any share of a gain, profit, or

surplus, percentage of revenue, or other reward in connection with any gain, profit, surplus, or revenue of the society.

- (iii) For remuneration to officers who are not members, we recommend recording in the constitution that this is not an interest (as we have done in LGNZ's constitution). Otherwise, best practice would be to declare it in the interests register.

4. Restrictions on indemnity and insurance

- (a) Properly given indemnities and insurance are not "interests" covered in section 2 above. Indemnification and insurance for officers is only allowed if permitted by the society's constitution, and if within the limits of the Act.

- (b) For insurance:

- (i) The officers of the society who vote in favour of authorising the insurance must sign a certificate stating that, in their opinion, the cost of effecting the insurance is fair to the society.

- (ii) Unless the insurance was fair to the society at the time the insurance was effected, the officer, member, or employee who is insured is personally liable to the society for the cost of effecting insurance if:

- (A) the certificate requirement or constitutional authorisation was not in place; or

- (B) reasonable grounds did not exist for the opinion set out in the certificate.

- (iii) Accordingly, before any insurance is arranged, officers should ensure that it is permitted under the Act (ie is not given for liabilities for which it cannot be given – eg criminal liability) and the constitution and that the necessary resolutions and certificates have been given in accordance with the Act.

- (c) For indemnification:

A society may indemnify an officer, a member, or an employee of the society for:

- (i) liability to any person other than the society for any act or omission in their capacity as an officer, a member, or an employee of that society (**not** being criminal liability or, unless expressly authorised by the constitution, liability that arises out of a breach of duty); and

- (ii) costs incurred by the officer, member, or employee in defending or settling any claim or proceeding relating to that liability. For costs relating to criminal liability or, unless expressly authorised by the constitution, costs relating to a failure to act in good faith, the indemnification is only

available when the person is acquitted, judgment is given in their favour, or the proceeding is discontinued.

5. Offences under the 2022 Act

- (a) Offences under the Act for which an individual (eg an officer) can be liable include:
 - (i) knowingly making false or misleading statements – punishable by up to 1 year in prison and/or a fine of up to \$50,000;
 - (ii) fraudulent use or destruction of property – punishable by up to 5 years in prison and/or a fine of up to \$200,000;
 - (iii) falsification of documents – punishable by up to 5 years in prison and/or a fine of up to \$200,000;
 - (iv) operating fraudulently or dishonestly incurring debt –punishable by up to 5 years in prison and/or a fine of up to \$200,000;
 - (v) improperly using the word “Incorporated” or the te reo word “manatōpu” – punishable by a maximum fine of \$10,000;
 - (vi) breaching a banning order – punishable by up to 1 year in prison and/or a fine of up to \$50,000;
 - (vii) obstructing a Registrar or person authorised by Registrar from exercising their powers of inspection – punishable by a fine of up to \$10,000; and
 - (viii) authorising, permitting or consenting to a society being carried on for the financial gain of any of its members – punishable by a fine of up to \$50,000.
- (b) Infringement offences under the Act for which the society can be liable (for either an infringement fee as set out in regulations or a fine imposed by a court not exceeding \$3,000) are:
 - (i) failing to notify the Registrar of amendments to the constitution under section 33;
 - (ii) failing to notify Registrar of elections, appointments or other changes relating to officers under section 52;
 - (iii) failing to maintain a register of members under section 79;
 - (iv) failing to call annual general meeting under section 84;
 - (v) failing to hold, and keep minutes of, annual general meetings under section 84;

- (vi) failing to send copy of passed resolution in lieu of meeting to members, as required by the society's rules under section 92;
 - (vii) failing to meet the financial requirements around reporting, statements and returns under sections 102 and 109;
 - (viii) failing to register an office under section 110; and
 - (ix) failing to give the Registrar notice of change of contact person under section 116.
- (c) Officer liability survives termination or cessation of office:
- (i) Note that despite vacating office as an officer, a person who has held office as an officer remains liable under the provisions of the 2022 Act that impose liabilities on officers for acts and omissions and decisions made while that person was an officer (including for the individual offences set out above).