

**Proposed amendment to the Constitution  
For 2022 Annual General Meeting  
24 February 2022**

**Background**

The FIA Board of Directors have an ongoing responsibility to ensure that the Constitution reflects contemporary good governance principles and to ensure that the FIA Board has sufficient skills-based directors to meet the needs of the organisation. After careful consideration, the Board seeks approval for an amendment that will provide increased good governance in relation to the appointment of Directors.

- The Board seeks member approval to allow for a Board appointed director to fill any gaps left by a State or Territory failing to nominate appointees for the role.

Currently the Constitution allows this vacancy to exist for a term of two years. The Board proposes that this vacancy be filled for that term by a Board-appointed director. This allows the Board to operate at full capacity which is deemed essential for the good governance of the organisation.

**Guiding Principles**

The governance role of the Board is to act on behalf of the members (as “owners” of FIA) to ensure that FIA delivers benefits to members and also delivers broader benefit to the wider community. The governance role requires the Board to: specify the ultimate purposes of the organisation and the relative weight and resources to be given to competing purposes, appoint the CEO and monitor the organisational programs and activities and thus the CEO’s performance, lend personal reputational weight to FIA’s public positions and advocacy, and carry out all legal duties as directors.

**The issue**

On occasion, states and territories have chosen not to nominate a Director. This has left a vacancy on the Board which can impact being able to form a quorum, as well as provide all of the skills the organisation needs for good governance and to maintain

strong Board committees. If a State or Territory decides not to nominate a Director, the Board can fill that position for a two-year term, at which time the state or territory may choose to nominate their own Director again.

The Board seeks member approval to appoint a skills-based Director where the State or Territory committee does not exercise its entitlement to nominate persons for this role. Currently there is no ACT committee Director nominated.

The change to the Constitution recommended by the Board is:

**The proposed amendment – page 19 of the Constitution**

From this current clause: 37.(c).:

1. In the event that a State or Territory Committee does not exercise its entitlement to nominate two (2) members to be considered by the Nominations Committee for appointment as a Director, that entitlement shall remain in abeyance until the date of retirement which would have applied if such member had been nominated and subsequently appointed as a Director.

To this proposed text:

1. In the event that a State or Territory Committee does not exercise its entitlement to nominate two (2) members to be considered by the Nominations Committee for appointment as a Director, that entitlement may be used for the appointment of a Board-appointed Director for a term of a minimum of two (2) years. The State or Territory that has not exercised its entitlement in the first instance may do so any time after the two (2) year term of the Board-appointed Director.

This amendment will allow the Board to fill this role for a minimum term of two (2) years.

The change recommended was unanimously endorsed by the FIA Board at the meeting held in January 2022.