# AANT Constitution
# Explanatory Notes – Key Amendments

## Introduction

Council of the Automobile Association of Northern Territory (AANT) is proposing amendments to the current AANT Constitution. The amendments aim to modernise governance, embrace best practice, and support AANT's growth as a member-focused organisation in the Northern Territory.

Below are the key changes, including a brief description and the rationale for the amendment.

The proposed amendments stem from internal reviews, legal advice, and alignment with the Associations Act 2003 (NT). They reflect governance best practice and AANT's evolution, while upholding our core mission in motoring, mobility, member services and community impact.

## Key Proposed Changes

### Objects and Purposes

The proposed amendments to the Objects and Purposes clause refine and broaden AANT's foundational goals to better align with our evolving role as a dynamic, community-focused organisation in a rapidly changing mobility landscape, while preserving the core emphasis on motoring advocacy, roadside services, and member benefits that have defined us for decades.

By streamlining the language from a detailed list of eleven specific items to seven concise, forward-looking purposes, the updated version enhances precision and flexibility - explicitly incorporating sustainable transport and energy solutions, expanding advocacy to encompass broader public policy matters, and affirming our political independence to ensure impartial representation.

This modernisation not only complies with contemporary governance standards under the Associations Act (NT) but also positions AANT to more effectively serve members' diverse needs, from traditional roadside assistance to innovative lifestyle and environmental initiatives, fostering long-term relevance and community impact without diluting our historical commitment to fairness, road safety, and equitable funding for Northern Territory infrastructure.

### Powers

The proposed amendments to the Powers clause in AANT's Constitution introduce two targeted additions - (xiv) adopting and maintaining digital systems to enhance service delivery, member communication, governance, and administration, and (xv) responsibly managing member data in compliance with privacy laws and Board policies - while retaining the established framework grounded in the Associations Act (NT), ensuring operational flexibility without disrupting proven capabilities like property dealings, financial management, and affiliations.

These enhancements reflect AANT's commitment to modernisation in an increasingly digital era, enabling the seamless integration of virtual platforms, electronic voting, and data-driven efficiencies to better serve members' evolving needs, from roadside assistance to sustainable mobility solutions, while explicitly reinforcing privacy obligations to uphold trust and legal standards.

## Membership

The proposed amendments to the Membership clause in AANT's Constitution streamline and modernise the framework to foster greater flexibility, inclusivity, and alignment with contemporary association models, while ensuring compliance with the Associations Act (NT). The changes support our evolution toward diverse, non-roadside services such as insurance and lifestyle offerings.

The amendment also consolidates the rigid enumeration of specific membership classes into a single, flexible Board-determined structure under clause 4.1, while allowing the Board to set fees, subscriptions, qualifications, concessions, and eligibility criteria as outlined in clauses 4.2 and 4.5.

These changes eliminate outdated requirements such as signed application forms and entry payment mandates, thereby broadening access for policyholders and other potential members without compromising core protections like non-transferability or minimum member numbers.

## The Board

**Council re-named Board**

This amendment updates the composition of the organisation's governing body by renaming it from the "Council" to the "Board," reflecting a more contemporary and streamlined terminology that aligns with modern governance structures while maintaining the core leadership roles of President and Vice-President.

**Composition**

The maximum number of other elected or appointed members from ten (10) to nine (9), promoting greater efficiency in decision-making, enhancing accountability through a more focused group size, and ensuring the Board remains agile in addressing member needs without diluting its effectiveness. This change supports the organisation's ongoing commitment to adaptive and responsive leadership.

**Residency Requirements**

This amendment modernises the Board's residency requirements by relaxing the previous strict mandate that all members must reside in the Northern Territory, now permitting up to two Directors to live outside the NT to foster greater diversity of perspectives, expertise, and networks.

By capping non-resident Directors at two, the change preserves the majority local representation essential for maintaining deep insight into NT-specific challenges and opportunities, ensuring the Board remains grounded in community priorities while enhancing its overall effectiveness and adaptability.

**Retirement of Directors**

This amendment refines the retirement provisions for Directors to introduce a structured term limit framework, replacing the previous rotational system based on longevity at annual meetings with a clear cap of three consecutive three-year terms (nine years total), extendable to a fourth only via special Board resolution, and an overall lifetime limit of twelve years within any thirty-year period.

The change provides for regular infusion of fresh perspectives, prevents entrenchment, and promotes leadership renewal while safeguarding institutional knowledge.

The amendment enhances governance stability, aligns with best practice, and ensures the Board remains dynamic, diverse, and responsive to evolving member priorities.

**Removal of a Director from office**

This amendment strengthens Director accountability by lowering the absence threshold for potential removal from office from three to two meetings - whether consecutive or within the same year.

By tightening this requirement, the change encourages more consistent attendance and active engagement, mitigating the risks of prolonged disengagement that could hinder timely decision-making and dilute the Board's collective effectiveness, while still allowing for reasonable flexibility in unforeseen circumstances. This adjustment underscores the organisation's dedication to a committed, responsive leadership team.

**Managing Conflicts of Interest**

This amendment transforms the previous eligibility rules for Council members with connections to the motor trade or related industries into a comprehensive, proactive framework for managing conflicts of interest.

The new clause promotes transparency through a mandatory Conflict of Interest Register reviewed at every Board meeting and immediate disclosure of pecuniary interests in contracts, with affected Directors barred from voting to uphold impartiality.

The change aligns with statutory requirements under the Act, fosters a culture of ethical governance, minimises risks to organisational integrity, and encourages diverse expertise while ensuring decisions prioritise member interests over personal affiliations.

This evolution supports a more inclusive, accountable Board that can navigate complex stakeholder dynamics with confidence and fairness.

**Meetings**

Reducing Board meetings from a minimum requirement of ten to six meetings per year (while retaining the flexibility for more if needed) allows for more efficient use of Directors' time and resources without compromising strategic oversight or decision-making cadence. The change will also improve executive productivity and reduce the administrative burden associated with regular board and sub-committee meetings.

**Payment of Remuneration to Directors**

This amendment transitions the organisation's governance model from a purely volunteer-based structure for Directors to one that permits the provision of reasonable and appropriate compensation of Directors. The process sets out that the total remuneration payable each year is approved by Members, with a suitable cap, to ensure payments will not impose a financial burden on the organisation, thereby preserving fiscal sustainability while recognising the value Directors bring.

A provision for Director remuneration, guided by these principles of judgement and financial prudence:

1. **Recognises the considerable time, effort, and expertise of directors.**

The time commitment required from directors - and particularly the President - is extensive. Offering remuneration acknowledges the substantial effort and expertise our directors contribute. AANT is a significant business enterprise with over 20,000 members and ambitious growth aspirations. As a fair and equal opportunity employer offering market-informed remuneration to its people, the same values and principles should extend to board members for their services, provided the Board deems it fiscally responsible.

2. **Attracts suitable candidates to the Board.**

It is accepted logic that AANT should seek to ensure its board comprises an appropriate balance of skills and experience from directors who can best serve the organisation, with a strong awareness of the interests, perspectives, and needs of its broad and diverse membership base. A wider pool of candidates can also support optimal board composition and diversity of thinking and perspective. Remuneration, approved judiciously by the Board to avoid any financial impost, can attract, and retain individuals with the necessary expertise to navigate increased governance expectations and regulatory requirements.

3. **Improves member and stakeholder engagement.**

Compensating directors, at the Board's discretion and from a pool decided by members to a fixed cap, to ensure it poses no undue financial strain, facilitates and supports their ability to actively engage with members and stakeholders in pursuit of AANT's purpose and interests.

4. **Aligns with not-for-profit sector trends.**

Trends in the NFP sector provide a sound, evidence-based rationale for remunerating directors, where such payments are deemed sustainable. According to the Australian Institute of Company Directors’ most recent Not-For-Profit Governance &

Performance Study 2024-25, directors are dedicating more time to governance duties, with 54% of directors committing between three to eight days per month.

It is proposed that the Director’s Remuneration Pool will include a provision for director’s fees and other director-related expenses (such as travel costs).
**Members at the Annual General Meeting must approve the annual Directors Remuneration Pool, ensuring remuneration remains sustainable, transparent, and aligned with the overall fiscal health of the organisation.**

This direct member-approval mechanism, combined with full disclosure of all remuneration details in AANT’s annual financial reports presented at each AGM, provides robust safeguards against cost escalation, allowing members to oversee and influence the process while maintaining fiscal prudence and accountability.

Any director who receives payment will not be involved in the decision-making process for setting their own remuneration.

## Board Powers in Natural Disasters and Emergencies

This new clause introduces a dedicated framework for Board powers during natural disasters and emergencies, previously unaddressed in the Constitution. The Board will be empowered to swiftly suspend or adapt procedural rules, delegate urgent operational authority and authorise essential expenditures, to service continuity in events like cyclones and floods.

The primary intent of these powers is to ensure the continuity of essential member services - such as roadside assistance, emergency support, and access to benefits - during such crises, enabling AANT to support members effectively.

By mandating prompt reporting to Members at the next General Meeting and emphasising proportionate, good-faith actions aligned with the AANT's objects, the change bolsters AANT’s resilience, upholds transparency and accountability, and equips leadership to act decisively in crises without compromising core governance principles.

This provision reflects the Association's commitment to proactive risk management, and uncompromised support for members during unforeseen challenges.

## Transitional Provisions (Retirement of Directors)

The transitional schedule addresses the practical challenges of implementing new director term limits without abruptly displacing experienced Transitional Directors - those who have already served more than nine years cumulatively - who might otherwise be immediately ineligible. An abrupt transition could potentially erode institutional knowledge, leadership continuity, and Board stability during a critical modernisation phase.

By permitting these Directors to remain in office temporarily while mandating a phased retirement minimises disruption and upholds fairness. Upon the final retirement, the Schedule automatically expires, seamlessly transitioning the Board to the conditions of clause 8.6, thereby balancing respect for long service with the benefits of refreshed governance and renewed perspectives.