

Working for you – How Workbridge should be governed in future

About this document

This document explains some important things the Workbridge Council and Board are thinking about, and invites you to share your thoughts with us. It discusses who governs Workbridge, and how our governance is structured.

We are always interested in what you think of the services we provide and the quality of those services. You are welcome to contact us about those things any time. However, this document is focussed on how we are governed. This is important, because our governing entity(s) set the direction of Workbridge which has a direct bearing on service delivery.

We are asking for your opinions about how, in a changing world, Workbridge can continue to be governed. This raises several questions:

1. Would a one-tier structure work better than the current two-tier Board and Council structure?
2. How could the voices of the users of Workbridge's services best be heard – for example by introducing a Consumer Council?
3. What legal form would best suit Workbridge in the next few decades - Incorporated Society Trust or Company?
4. What criteria should be used to assess the different governance options including effective voice, leading by example, and being agile and flexible.

Why is this discussion happening, and who began it?

Recently, our Council and Board met together to think about the future, and everyone agreed that now was the right time to consider whether we have the best governance structure for the 2020s and beyond. This discussion resulted in the formation of a working party comprising an equal number of Council and Board members, plus our Chief Executive. This document summarises the considerable thought the working party has given to future governance. We have formed some preliminary views and would now like to know what you think.

Incorporated Societies Act

In particular, our Council and Board are aware of the new Incorporated Societies Act, which Parliament has recently passed. Under the Act, we will have to change our governance structure or become something other than an incorporated society within a few years.

While the Incorporated Societies Act was the catalyst for this review, it is not the only driver. In addition, other new laws such as the Health and Safety at Work Act weren't envisaged when our Constitution was written and aren't dealt with in it. This creates uncertainty around the degree to which Council members are responsible for Health and Safety matters.

Changing nature of the sector

This year, we are celebrating 90 years of the entity we now call Workbridge. In 1990, Workbridge was constructed through the reform of the Rehabilitation League, which was founded in 1931.

Since becoming Workbridge, we have been a leader in applying the concept of the self-determination of disabled people to a service delivery organisation in New Zealand. Many disabled people use the term “nothing about us without us” as a way of explaining what self-determination means.

Disabled Chief Executives have led Workbridge for the last 13 years. Not for the first time, our current Council President, Board Chair and Chief Executive are disabled people.

Our Constitution ensures that through our Council, the organisations we now call DPOs as well as other stakeholders broadly control the direction of the organisation.

Our present Constitution predates a time when such thinking was common.

We believe that now is a good time to think about the way that the sector and the expectations of disabled people have changed. Under the current contractual framework for supported employment, The Ministry of Social Development precludes disabled people receiving funding from more than one supported employment provider at a time. This promotes competition for business within the sector which requires us to operate in a more business-like way. We appreciate that we must earn the trust of disabled people by providing quality customer service. Since employment is about partnership, we must also earn the trust of employers.

In a more competitive environment, Disabled Persons Organisations (DPOs) may also seek to provide employment services. This is good for consumer choice, but potentially creates a conflict-of-interest situation if that DPO has representation on one of the governing entities of Workbridge, with which the DPO competes.

This has meant that the Council member’s role is not as clear as it should be – are they DPO representatives, the voice of service users or governors with oversight of Workbridge?

Yet awareness of the importance of self-determination is higher than ever and will become more important. Just as Government and Maori value “by Maori, for Maori” organisations, we believe that over time, disabled people and Government will accord similar value to “by disabled, for disabled” organisations. Therefore, organisations who “walk the talk” and are disability-led will be sought after.

Whether the Government is Labour-led or National-led, at the moment there is broad agreement that the Government will buy specified services from organisations like Workbridge, rather than provide a sum of money every year for Workbridge to spend as we think fit. This has required Workbridge to operate in a more commercial way in recent times as we adapt to this new approach.

If anything, we anticipate we will have to be even more commercially savvy as the Disability Transformation advances and we move to providing tailored services based on individual customer need.

How we are governed now

Organisations must choose a set of rules that they live by, as well as the kind of structure that they think suits their work and purpose. Workbridge is currently an incorporated society with a constitution. Our Constitution is a document which is publicly available. It sets out the kind of work

we can do, how people and organisations can become a member of Workbridge, and the responsibilities of the Council, Board and Chief Executive. It creates a somewhat unusual two-tier governance structure with both a Council and a Board involved in steering the organisation.

Council

Council is made up of corporate members such as Disabled Persons Organisations known as DPOs and other stakeholders, individual members, and honorary life members. Council decides which organisations and individuals make up its number. Corporate members nominate individuals to represent them.

A formal decision is known as a resolution and must be voted on at a meeting. When Council passes a resolution at a general meeting, it is binding on Workbridge.

Our Constitution says that not less than a simple majority of Councillors shall be disabled people or have experience of disability. Further, the President must either be a disabled person or have experience of disability. As a result Workbridge sees itself a disability-led organisation. (We are conscious this can be a contentious area, so we set out below how we are seeking your views.)

According to our Constitution, Council has these purposes.

- To provide leadership and vision to Workbridge and the Board.
- Represent the interest of the Members to Workbridge.
- To provide policy regarding a sensitive and effective service delivery framework for services to disabled jobseekers.
- To advocate for sensitive and effective policy frameworks for employment services for disabled people.
- To ratify the appointment and removal of Board Members.
- To consider any Major Transactions, which have a specific definition in our Constitution.
- To consider any changes to the Constitution, which means it will be Council who decides if any changes being discussed in this document proceed.

The Board

The Board governs Workbridge, and has all powers not expressly vested in Council by our Constitution. It appoints our Chief Executive, who the Board holds to account for the performance of the staff we employ.

Our Constitution specifically makes note of the following Board functions.

- Set strategic directions for all financial, service and management operations of Workbridge.
- Deal with all matters relating to the engagement, succession, remuneration and monitoring of the Chief Executive.
- Be responsible to the Council for the overall control of Workbridge.
- Ensure that the philosophy and policy of Workbridge is implemented and adhered to.
- Exercise Workbridge's borrowing powers.
- Invest funds held by Workbridge.
- Enter into contracts on behalf of Workbridge.
- Report regularly to the Council on activities of the Board including how it has fulfilled its governance role.
- Implement decisions from General Meetings.

- Provide for the avoidance of the unacceptable by ensuring there are processes and mechanisms for legal, accounting, ethical and internal compliance (including Council and Board policy).

Ways we could change

New Constitution under the new Incorporated Societies Act

The new legislation does not allow for the two-tier structure in our current Constitution. There would be a Board, and at least half of all Board members would have to be drawn from the DPOs that are members of the incorporated society. Our Constitution would certainly have to change a lot if we want to keep being an incorporated society.

Given the new Act, for a combination of reasons it is timely to review how Workbridge is currently structured and how it should be best set up to succeed in the 2020s and beyond.

This raises several questions:

1. What legal form would best suit Workbridge in the next few decades?
2. What criteria should be used to assess the different governance options?
3. Would a one-tier structure work better than the current two-tier Board and Council structure?
4. How could the voices of the users of Workbridge's services best be heard?

Governance that is fit for purpose for the 2020s and beyond

Workbridge could be constituted in a different legal form, such as a trust or a limited liability company.

While each kind of entity has unique legal requirements and characteristics, the most important things to consider would be what we place in the rules of the organisation. We will outline some of the key questions in the Q and A section at the end of this document.

We have undertaken an initial analysis to compare the status quo – the two-tier Council Board structure – with a range of other options. We used several criteria:

- Effective voice – so disabled people can shape how services are delivered.
- Lead by example – so Workbridge models “nothing about us without us”.
- Well governed – fit for purpose arrangements that sustain Workbridge as a viable business.
- Clear roles and responsibilities – so the governors, management and staff can stay in their lanes.
- Agile and flexible – so Workbridge can quickly respond to new opportunities.
- Manage exposure to liability and risk – so Workbridge is a resilient organisation.

We are interested in your feedback on whether these are the right criteria.

Based on the initial analysis, we have come to the preliminary view that moving away from the two-tier Council and Board structure would enable Workbridge to perform better into the future. However what the future Workbridge should look like is an open question. The analysis to date has highlighted a range of features that any new model could incorporate.

A Consumer Council?

Several disability service providers have introduced a Consumer Council. This would provide a mechanism for the voices of Workbridge customers to be heard. This is important, because disabled people would directly influence how Workbridge's services are delivered, and precisely what those services are.

Use of subsidiaries?

Workbridge could be the umbrella organisation with a governing body, but specific services might be operated by separate businesses within the business.

This is attractive because it can help with the creation of distinct brands and minimise business risks. For example, Workbridge currently administers the Ministry of Social Development's Support Funds based on Guidelines the Ministry provides. We also recently piloted a successful service for disabled business owners called Grow Digital. Both these services may be better operated as separated businesses with separate governance, but all reporting back to the organisation.

Q and A, it's all about you

This document has focused on how Workbridge is governed rather than the services we deliver. Governance is important, because it sets the direction for Workbridge as it responds to a rapidly changing environment.

Unfortunately, discussions like these must be technical and a bit dry. But rest assured that when we are having these discussions, we are always thinking about how we can be the best organisation we can be for the people we serve.

We have included some questions below to make it easier to have your say. It is OK not to answer every question, or even to not follow this format. If you have thoughts on the future governance of Workbridge, we are keen to hear them.

Learn how to share your views with us at the end of this document.

Fit for purpose Governance

Given the provisions of the Incorporated Societies Act, and mindful of the discussion in this document, we are interested in your feedback on how to improve the governance of Workbridge.

Disability-Led

One of the key principles that we believe should shape Workbridge going forward is that we remain disability-led.

Do you see Workbridge as a disability-led organisation at the moment?

Do you agree that being disability-led is important?

How should Workbridge reflect its commitment to being disability-led in its governance including in any new Constitution?

Do you agree with the current principle of corporate membership, where DPOs and other stakeholders are members of Workbridge and directly influence how it is governed? Why/why not?

Good Treaty Partner

Te Tiriti - The Treaty of Waitangi has increasingly been recognised in the period since Workbridge was established and we included a commitment to the principles of Te Tiriti in our Strategic Plan.

How should any new governance structure reflect our desire to operate consistent with the principles of Te Tiriti?

Sustainability and good governance

We have identified the potential for a Consumer Council to provide a way for the voices of Workbridge customers to be heard. *Do you have experience with the operation of this sort of mechanism that you wish to share?*

Some disability providers have created Trusts or a holding Company as the parent organisation and then used subsidiary companies to focus on different lines of service delivery. *Do you have any views on how effective that would be for Workbridge?*

Do you have any comments on the criteria that should be used to assess governance options- Effective voice, Lead by example, Well governed, Clear roles and responsibilities, Agile and flexible, Manage exposure to liability and risk?

Do you have a view about the kind of legal structure that would best position Workbridge for good governance and sustainability? Examples include:

- Incorporated society (with a new constitution that fits with the new legislation)
- Trust
- Limited liability company

How to have your say

There are several ways you can have your say. Submissions close on 31 May 2022.

Website

You can complete the form at <http://workbridge.co.nz/governance>

It is OK to leave any question blank.

Email

We would be pleased to receive your thoughts via email at governance@workbridge.co.nz