

Committee Secretariat
Economic Development, Science and Innovation Committee
Parliament Buildings
Wellington



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Kia ora,

Incorporated Societies Bill submission

Federated Mountain Clubs was founded in 1931 and advocates for New Zealand's backcountry and outdoor recreation on behalf of 22,000 members in 96 clubs. FMC has taken, and continues to take, a leading role in the establishment of protection and ongoing robust planning for much of New Zealand's public conservation land. As a result, the New Zealand Conservation Authority includes a place for an FMC-recommended member.

We welcome the opportunity to provide our submission on the Incorporated Societies Bill 2021.

On 14 May 2016 we also submitted on the Exposure Draft of the Bill, and note that certain of our submission points are reflected in the new Bill - thank you.

We remain supportive of the new Bill, even though the changeover impact will be significant for FMC and our member clubs.

There are a few areas where we consider there is room for improvement to ensure that the transition to the new Incorporated Societies world is as painless as possible for all the Incorporated Societies that are member clubs of FMC, and for our own organisation - Federated Mountain Clubs of New Zealand Incorporated.

Section 5 - Interpretation

There are a number of terms used in the Bill which require definitions in this section, including

Bylaw / Tikanga	Used to describe internal procedural regulations within a society that are outside the Constitution. Clubs traditionally may have used the term "Regulations", but given this term is used extensively in the Bill, shouldn't you recommend that Bylaws / Tikanga is used instead as a subordinate document to the Constitution ?
Complaint	This and the next three terms are used separately and together without definition. Dispute only is referenced in section 38 as having procedures included in the Constitution. But aren't they all variations of the same thing ?

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Dispute
Disciplinary Action
Grievance

Section 38 - Procedures in constitution for disputes and Schedule 2 - Disputes procedures

As per the comments above in relation to more definitions being required in section 5, there is an apparent disparity in scope between these two sections of the Bill, and different terms requiring their own sections within Schedule 2, without providing a clear understanding of the intended scope of the procedures required.

We submit that the terms used and the required sections for these should be reviewed to allow societies to be clear that there are no subtle differences that are being missed in the construction of their new constitutions.

Sections 42 and 107 - Minimum Age Requirements

In section 42 the minimum age requirement for a (responsible) officer is 16, whereas for the Contact Person in section 107 it is 18. Given that the communication role assigned to the Contact Person is of lesser impact than the Officers in section 42, why does it have a higher age requirement ?

Section 81 - Methods for Holding Meetings

FMC membership has a full national spread, and as a result several years ago we replaced our logistically challenged annual general meetings with a very efficient membership ballot process, where all members receive all required documentation and then have the ability to vote on any resolutions we require. This allowed us last year during the Covid-19 lockdowns to continue to operate completely as usual despite there being no in-person meetings for several months.

We consider that a society's Constitution should dictate how its annual reports and constitutional matters should be reviewed and approved by members, rather than requiring by law that a physical general meeting - which can be logistically complex and financially significant to arrange - is held, even without a contemporaneous pandemic. A society's Constitution will of course require Registrar approval, so we consider that the Bill should provide for suitable oversight to ensure a society is being effectively managed in a way that best suits that society.

As submitted previously:

The wording of sub clause (b) is an attempt to provide for modern technology and allow remote participation in a meeting. This clause still presumes that all participants will take part at the same time.

Holding an electronic conference is beyond the ability of many organisations in New Zealand and if they cannot utilise clause (b) then they are forced to hold a meeting as defined by sub clause (a).

The Act should apply equally to organizations which do not need to hold meetings in order to fulfill the purposes as required in other sections of this Bill.

Sub clause (b) does not provide for electronic polling of members over a defined period as a means of obtaining membership approval.

For Example:

XYZ Society is a national body with 2000 members. They must prepare an Annual Report , a set of Financial Statements, and a list of disclosures. These three items are then circulated to their membership either electronically or by mail. The membership can then be given the opportunity to approve them. The Constitution can stipulate what percentage must vote and what percentage is required to support the reports.

None of this requires an Annual General Meeting as envisaged in clauses 78 to 80. One possible alternative is what is provided for in section 83.

Section 83 - Resolution in Lieu of Meeting

The requirement for a 75% response from all members should be reconsidered; in FMC's experience, a high proportion of members of a society have limited interest in the mechanics of that society's management.

We submit that sub section 2 should be reworded as follows

“A written resolution is as valid for the purposes of this Act and the constitution (as if it had been passed at a general meeting) if it is signed by the number of members required for a quorum for a physical meeting, as specified by the constitution.”

This will ensure that the voting requirements are the same irrespective of whether the meeting is a physical meeting or a postal / electronic ballot.

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Sections 87 - 90 - Indemnities and Insurances

We have reviewed these sections several times, but still find it hard to comprehend a clear delimitation of what is and isn't proposed to be permitted. Please consider rewording these so that it is quite clear to a layperson what the situation is.

Schedule 1 - Transitional, savings, and related provisions - section 10 (2) and (3)

On removal from the register a society may not cease to exist absolutely - it will cease to exist as an incorporated society. The group may still continue to operate independently of the Incorporated Societies legislation. For clarity, we suggest that after "cease to exist", you add "as an incorporated society".

Yours sincerely,

Tony Walton
Executive Member

For: Jan Finlayson

President, Federated Mountain Clubs